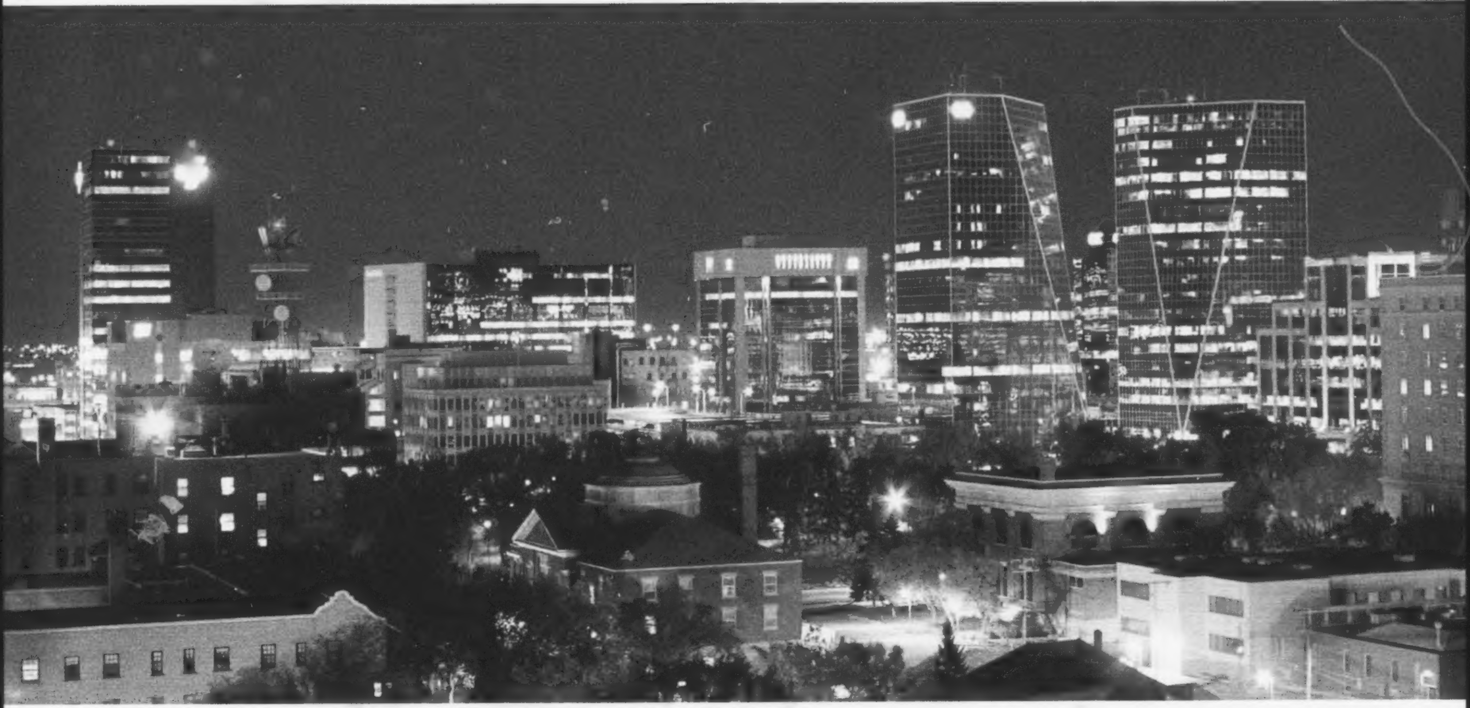
CITY OF REGINA

SASKATCHEWAN, CANADA

2013 ANNUAL REPORT

YEAR END DECEMBER 31, 2013



City of Regina | REGINA
Infinite Horizons

City of Regina
Saskatchewan, Canada

2013 Annual Report

Year Ended December 31, 2013

City of Regina | REGINA
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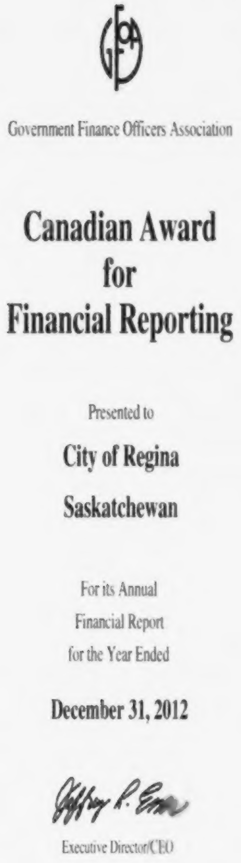

Government Finance Officers Association

Canadian Award
for
Financial Reporting

Presented to

City of Regina

Saskatchewan

For its Annual
Financial Report
for the Year Ended

December 31, 2012

Executive Director/CEO

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Canadian Award for Financial Reporting to the Corporation of the City of Regina for its annual financial report for the fiscal year ending December 31, 2012. The Canadian Award for Financial Reporting program was established to encourage municipal governments throughout Canada to publish high quality financial reports and provide peer recognition and technical guidance for officials preparing these reports.

In order to receive the Canadian Award for Financial Reporting, a municipal government must publish an easily readable and efficiently organized annual financial report. The contents of the report must conform to program standards. Such reports should go beyond the minimum requirements of generally accepted accounting principles and demonstrate an effort to clearly communicate the municipal government's financial picture, enhance an understanding of financial reporting by municipal governments, and address user needs.

A Canadian Award for Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Canadian Award for Financial Reporting program requirements, and we are submitting it to GFOA.

This is the 21st time the City of Regina has received an award for its Annual Financial Report.

The 2012 Annual Financial Report for the City of Regina was prepared by the Finance Department, with contributions from all City Departments and related organizations.

City of Regina, Saskatchewan, Canada

Regina.ca

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Introduction

Message from the City Manager

May 26, 2014

His Worship, the Mayor
and Members of City Council

I am pleased to submit the City of Regina's 2013 Annual Report. The Annual Report is submitted pursuant to Section 155 of The Cities Act. The Annual Report includes consolidated financial statements for the City of Regina as required by the Public Sector Accounting Standards Board (PSAB). The Annual Report includes financial, statistical and other information about the City of Regina and related entities to provide an understanding of the City and the resources available to the City.

The Annual Report consists of the following sections:

Introduction
The introduction familiarizes readers with the strategic focus of Council and its Administration, the political and organizational structure of the City, and the nature and scope of the services provided by the City. Highlights include key facts and successes which demonstrate responsible growth, safe communities, and quality of life that the City of Regina strives to achieve.

Financial Statement Discussion and Analysis
This section provides explanations and trend analyses to provide a broader understanding of the financial statements.

Financial Statements
Detailed financial statements of this section include the Consolidated Financial Statements and the General Trust Fund financial statements.

The preparation and presentation of the financial statements and related information contained in this annual report is the responsibility of the City's Administration. The statements have been prepared on a basis consistent with the recommendations of PSAB. Included in the consolidated financial statements are those entities that are accountable to and owned or controlled by the City of Regina. These entities include: Regina Public Library, Regina Regional Opportunities Commission, Buffalo Pound Water Administration Board, Regina Downtown Business Improvement District and Regina's Warehouse Business Improvement District.

City Council appointed the accounting firm of Deloitte, LLP to perform an independent audit of the City's 2013 financial statements. Their report is included in this document. The City's system of internal controls ensures the accuracy and reliability of the financial information. The Finance and Administration Committee reviews the external auditor's audit plan, and ensures corrective action is taken for weaknesses identified in the City's internal control system.

As noted, the consolidated financial statements include information on the City's financial position and operating results, along with those of several related entities. The City's operations are typically segmented (General Operating, General Capital, Utility Operating and Utility Capital) for budgeting and reporting purposes. In the financial statements, segment disclosure is also provided by divisional areas.

Based on the consolidated information, the following points are noted for 2013:

The City (consolidated entity) had net financial assets of $115.8 million at the end of 2013, an increase of $35.4 million from net financial assets of $80.4 million at the end of 2012.

Total revenues in 2013 were $586.6 million, an increase of $58 million from 2012. Total expenses in 2013 were $433.5 million, an increase of $11.9 million from 2012.

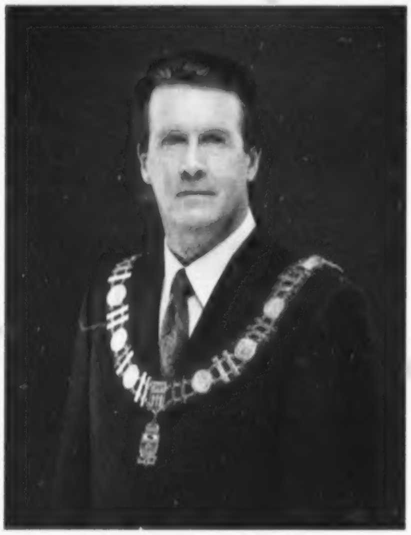
The planning, development and monitoring of the annual operating and capital budgets is a fundamental component of the City's financial administration. For 2013, the City's General Operating Fund ended the year with an operating surplus of approximately $2.4 million. The surplus is determined on a basis consistent with the presentation of the 2013 General Operating Budget before PSAS standards are consolidated and applied.

The City's achievements in providing accurate and articulate financial statements were recognized by the Government Finance Officers Association of the United States and Canada (GFOA) for the 21st consecutive year. GFOA awarded a Canadian Award for Financial Reporting to the City of Regina for its Annual Financial Report for the fiscal year ended December 31, 2012. The Canadian Award for Financial Reporting program was established to encourage municipal governments throughout Canada to publish quality financial reports and to provide peer recognition and technical guidance for officials preparing these reports. To be awarded a Canadian Award for Financial Reporting, a government unit must publish an easily-readable and efficiently-organized annual financial report with content that conforms to program standards. Such reports should go beyond the minimum requirements of generally accepted accounting principles and demonstrate an effort to clearly communicate the municipal government's financial picture, enhance an understanding of financial reporting by municipal governments and address user needs.

Respectfully submitted,

Glen B. Davies
City Manager & Chief Administrative Officer

Message from the Mayor



Dear Regina citizens:

On behalf of my colleagues on City Council, I am very pleased to present the 2013 City of Regina Annual Report.

Regina is a growing and prosperous city and leads Canada for a number of economic performance measures, such as unemployment rate and GDP growth.

Regina is changing, and is a very different community in so many ways. We are now a much more confident, prosperous and vibrant city, and one which is tapping into its significant potential.

There are many exciting opportunities that lie before us. We are seizing and investing in those opportunities and planning for growth.

This report provides a snapshot of the numerous achievements of 2013. They include approval of our new Official Community Plan, creation of a new Comprehensive Housing Strategy, another year of tremendous building activity, a vote by residents to proceed with a public private partnership for a new sewage treatment plant, and progress on the Regina Revitalization Initiative, including the building of a new stadium. We also showed the country our prowess in hosting both the Juno Awards and the Grey Cup. Our city is, in so many ways, the envy of Canada.

Our vision is to create a vibrant, inclusive, attractive, sustainable community where people live in harmony and thrive in opportunity. All of our work is geared to achieving that vision. I want to say a special thank you to our many City of Regina employees who work tirelessly to help us move towards our vision, and make Regina the great place it is to live, work and raise a family. I also want to applaud my Council colleagues for their dedication to this City. They are a dedicated team who work hard every day on behalf of residents. I can't think of a better group of colleagues with whom to work.

I look forward to another great year in 2014, as our City continues to evolve into an exciting, prosperous and caring community. At my State of the City Address this year, we paid tribute and recognized a few individuals and organizations that exemplify our caring nature. Also, a number of our residents helped their neighbours this winter as "Snowbusters". Neighbours helping neighbours is a city trait of which we can be so proud.

I invite you to become involved in our city. You can join a committee, volunteer for one of the numerous activities, participate at a forum or open house or follow us on Facebook and Twitter. I also encourage you to stay in touch with us by talking to your Councillor and by attending Council meetings.

This is a great time to be living in Regina. We look forward to your continued support as we work together in building our city.

Sincerely,
Michael Fougere
Mayor of Regina

Vision, Mission & Values

City Council and the administration are committed to providing a strategic focus for the future of our community. In 2013, Design Regina, the city's Official Community Plan, was approved and work commenced on updating the corporate strategic plan.

Our Vision

Canada's most vibrant, inclusive, attractive, sustainable community, where people live in harmony and thrive in opportunity.

- **Vibrant:** Young people and creative spirits are inspiring dynamic neighbourhoods and an exciting downtown, all of which feature first-rate facilities for health, wellness and artistic expression.
- **Inclusive:** Our community welcomes people. We live the values of respect and trust and celebrate the strength that comes from our diversity.
- **Attractive:** Residents and visitors choose Regina because it's clean, green, lively, friendly, affordable and fun.
- **Sustainable:** People forge a balance between the economic, social, environmental and cultural dimensions of their decisions by serving as stewards of the resources we share and by demonstrating leadership.
- **Harmony:** Empathy and understanding come from, and lead to, being safe in our homes and neighbourhoods; building strong social networks throughout the community creates synergy and sense of belonging.
- **Opportunity:** The entrepreneurial spirit powers Regina as a centre of success where research, innovation and excellence abound.

Our Mission

The City of Regina contributes to its citizens' quality of life by providing services and infrastructure at a level and of a quality that is sustainable

Our Values

- **Performance Driven & Accountable:** We all demonstrate leadership qualities. We instil a sense of mutual responsibility, open communication and teamwork while being accountable to each other, our community and Council. Our efforts are performance driven and outcome based.
- **Responsive & Respectful:** We cultivate a professional environment by being responsive and respectful in our conduct and interactions. We focus on safety, diversity and mutual respect.
- **Innovative & Creative:** We continuously improve by promoting innovative approaches to our work and how we serve our community and Council. We are creative, purposeful and take measured risks which results in new ways of doing business and being cost effective.
- **Focused on Excellence:** We are results oriented, providing excellent, responsive and accessible service.

City Council

City Council is responsible for the governance of the City of Regina, subject to Provincial legislation. Members of City Council are now elected every four years in a municipal election with the last election held on October 24, 2012. The Mayor is elected at large. The City of Regina uses a ward system for electing Councillors, with the city divided into ten wards and one Councillor elected in each ward. City Council's primary responsibility is to provide policy direction for the operation of the City. Council also sets the long-range service goals, and approves operating and capital budgets.

The Mayor presides at all meetings of City Council and is the ceremonial head of the municipal government. The Mayor and City Clerk are the municipality's symbolic and official signing officers, respectively. City Council members for the 2012-2016 term are.

Back Row l-r: Councillor Jerry Flegel, Councillor Shawn Fraser, Councillor Bryon Burnett, Councillor Terry Hincks, Councillor Wade Murray

Front row l-r: Councillor Mike O'Donnell, Councillor Bob Hawkins, Councillor Barbara Young, Mayor Michael Fougere, Councillor John Findura, Councillor Sharron Bryce

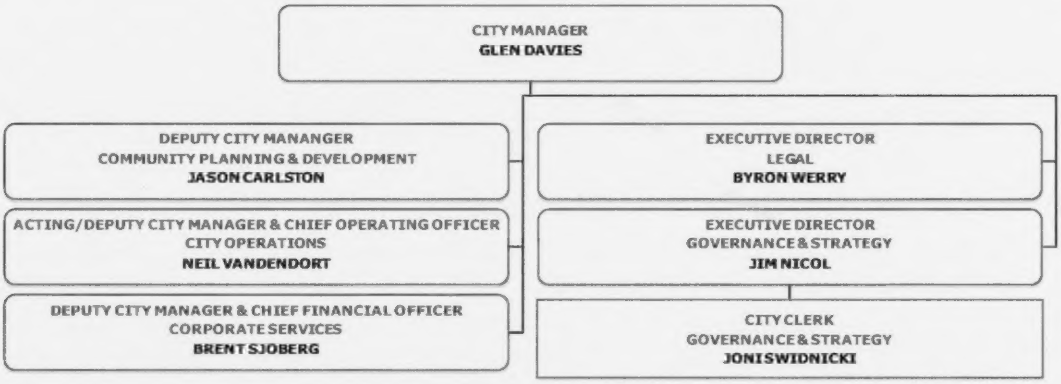
City Administration

The City Manager is the Chief Administrative Officer of the City and is appointed by City Council. The City Manager's Bylaw 2003-70 outlines the responsibilities, accountabilities, and authority for the position. The City Manager advises Council on all matters related to the City's programs and services and is responsible and accountable for directing and organizing the administration to achieve the goals and objectives of City Council in the most economic, effective, and efficient manner.

The City of Regina, pursuant to The Police Act, 1990, is responsible for maintaining law and order within its boundaries. The City appoints a Board of Police Commissioners that is responsible for the delivery of policing services within the municipality, providing general direction, policy and priorities and developing long-term plans. The Board appoints a Chief of Police, who is responsible for the management, administration, and operation of the Police Service, the maintenance of law and order within the municipality, and discipline within the Police Service. The annual Police budget must be approved by City Council.

Corporate Organizational Structure

The City of Regina has three Divisions: City Operations, Community Planning & Development, and Corporate Services. Each Division is led by a Deputy City Manager; two Executive Directors are responsible for the offices of Legal and Governance & Strategy. These Divisions continue to evolve with a focus on continuous improvement.


CITY MANAGER
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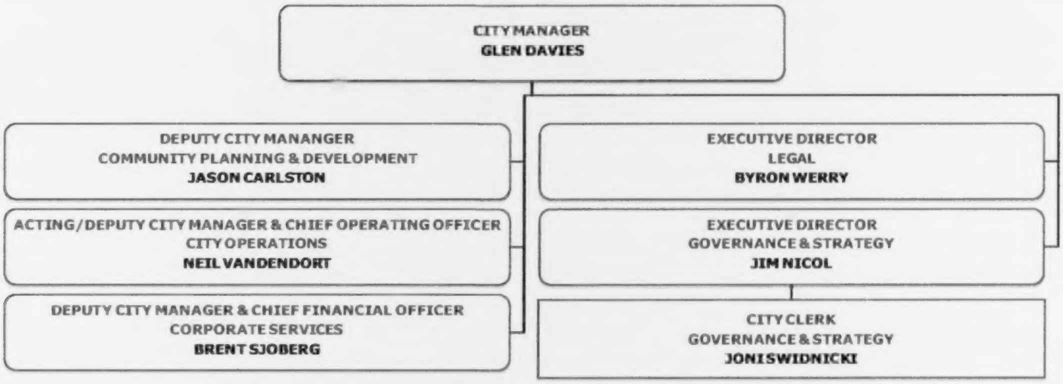
DEPUTY CITY MANANGER
COMMUNITY PLANNING & DEVELOPMENT
JASON CARLSTON
ACTING/DEPUTY CITY MANAGER & CHIEF OPERATING OFFICER
CITY OPERATIONS
NEIL VANDENDORT
DEPUTY CITY MANAGER & CHIEF FINANCIAL OFFICER
CORPORATE SERVICES
BRENT SJOBERG
EXECUTIVE DIRECTOR
LEGAL
BYRON WERRY
EXECUTIVE DIRECTOR
GOVERNANCE & STRATEGY
JIM NICOL
CITY CLERK
GOVERNANCE & STRATEGY
JONI SWIDNICKI

Office of the City Manager

The management of the civic administration of the City of Regina (excluding the Regina Police Service) is the responsibility of the City Manager. Appointed by City Council, the City Manager's authority is established by the City Manager's Bylaw 2003-70 and the Regina Administration Bylaw 2003-69.

The Office of the City Manager is Council's link to the Administration and is responsible to City Council for the efficient and effective operation of the City in accordance with City Council policies, decisions and bylaws. The City Manager provides executive direction, strategic guidance and governance support on matters of municipal governance, strategy and protocol, and ensures the City operates according to legislative requirements. The City Manager is also responsible for the development of a Corporate Strategic Plan, annual business plan, and reporting to council on performance related to those plans, including the budget.

The Office of the City Manager includes the three main Divisions reporting to the City Manager: City Operations, Community Planning & Development, and Corporate Services.
Also reporting to the City Manager is the Legal Department, the Regina Revitalization Initiative Business Unit, and Governance & Strategy which is made up of the Office of the City Clerk, Communications, Government Relations, and Strategy Management.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2013 Annual Report Highlights

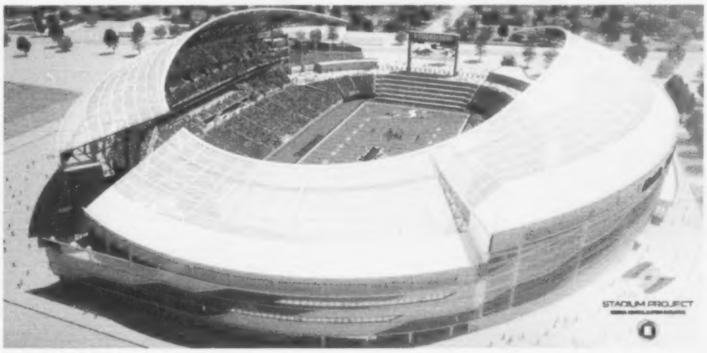
City of Regina | REGINA *Infinite Horizons*

The Annual Report provides a summary of the numerous achievements throughout the year. In 2013, those included the approval of our new Official Community Plan, the creation of a Comprehensive Housing Strategy and another year of tremendous building activity. This year also featured a vote by residents to proceed with a public private partnership for a new sewage treatment plant, and progress on the Regina Revitalization Initiative, including the building of a new community stadium. We also showed the country our prowess in hosting a number of events. A snapshot of these achievements are highlighted below:

Regina Revitalization Initiative (RRI)

The RRI is the largest redevelopment project in our city's history and will bring neighbourhoods, facilities and people together in ways never before possible. It will create new opportunities for business and investment, and it will bring new life to our city's core with walkable connections between the sites and convenient links to major thoroughfares from Evraz Place.

In 2013, the Regina Revitalization Initiative (RRI) focused on the Stadium Project; specifically, procuring the design, construction and interim financing for the replacement of Mosaic Stadium through a Public Private Partnership (P3) procurement process. This included working with our project partners and a team of experts to define the project outcome specifications and implement the Request for Qualifications (RFQ) and a Request for Proposal (RFP) processes. In addition, the project team moved forward with demolition and utility relocation work required to prepare the site at Evraz Place for the replacement for Mosaic Stadium.



Design Regina, the City's new Official Community Plan

Design Regina contains a comprehensive policy framework that will guide the physical, environmental, economic, social and cultural development of the city, generating the new Official Community Plan. As such, it plays a key role in setting the long-term direction for Regina and is essential to managing future growth, development and change in the community. The new Official Community Plan has formed the basis of the City's strategic and business planning for the next four years, building the foundation for long-term implementation.

In 2013, Regina City Council approved a new Official Community Plan (OCP) for the city. This plan will guide the growth of Regina over the next 25 years in accordance with the priorities of Regina citizens such as economic prosperity and long-term financial viability.

Regina demonstrated its prowess at hosting a number of fantastic events in and around our community throughout 2013.

101st Grey Cup Festival

In November, Regina successfully hosted the week-long Grey Cup Festival in a variety of locations throughout the community. These events all led up to the finale – the biggest party in Canada – the 101st Grey Cup Championship game. This record-breaking event attracted 45,000 fans to Mosaic Stadium to witness the Saskatchewan Roughriders seal their fourth Grey Cup victory. It was a game that won't soon be forgotten.

Juno Awards

Canada's premier music awards show was hosted in Regina in April. During the week leading up to the awards, many events were held at a variety of venues throughout Regina and Moose Jaw. The final event was the Juno Awards, held at Regina's Brandt Centre which was transformed into a star-studded, glamorous facility. All the events surrounding the Juno Awards provided a terrific opportunity to show off our great community.

Paul McCartney Concert

Mosaic Stadium welcomed rock and roll royalty, Sir Paul McCartney, in August. Nearly 45,000 spectators witnessed a spectacular performance.

Road Renewal

In 2013, the City of Regina invested a record $18.1 million to renew and maintain our major roadways, streets and bridges. Last year we produced 85,000 tonnes of asphalt and used 4,200 cubic metres of concrete to repair or replace sidewalks, curbs and gutters. In addition to the roadwork projects, the City fixes approximately one million potholes every year.

Regional Planning Summit

The City held a Regional Planning Summit to strengthen the commitment of communities to work together through a shared understanding of the need and importance of regional planning. Stakeholders engaged in productive discussions based on best practices, innovation, information sharing and interaction for the purpose of contributing to economic growth and development in southern Saskatchewan.

Managing Growth

The City and RM of Sherwood signed a Memorandum of Understanding and established three committees to collaborate managing growth in the region: Governance Committee, Administrative and Technical Committee, and Regional Development Committee. The RM and the City have a shared interest in working cooperatively for the benefit of both municipalities, the region and the province. Other regional work included joint resolutions of the City and RM Councils to alter the City boundary, hosting a Regional Planning Summit, and participation on committees with regional partners.

Housing Summit

The successful two-day housing summit, held in May of 2013, resulted in the creation of the Mayor's Housing Commission. The Mayor's Housing Commission is a permanent committee that guides the City's affordable housing initiatives and implementation of the Comprehensive Housing Strategy.

A Comprehensive Housing Strategy was completed in 2013 with implementation continuing into 2014. The Strategy includes a complete revision of housing incentives to better aim City resources at housing needs

Waste Plan Regina, Blue Cart Recycling

Residential recycling was rolled out on July 1, 2013 and provides collection to 61,400 single-family homes on a bi-weekly basis by individual roll out carts. By December 31, 2013, the Blue Cart Recycling program achieved a set out rate of 75 per cent, and 6,000 tonnes of recyclable material was collected.

Blue Cart Recycling is a symbol of our commitment to building a cleaner, greener and more sustainable city. By working together, our community can recycle over 40 per cent of our household waste and divert 28,000 tonnes from our landfill each year.

Sewage Treatment Plant

The City is making a significant investment in the sewage treatment plant to meet new regulatory requirements, protect public health and our environment, address concerns of downstream residents and businesses, and meet the needs of our growing population now and for the future.

Construction will occur between 2014 and spring 2017, with a bulk of the work being done in 2015 and 2016.

Transit

Regina Transit implemented a new routing system in 2013 which introduced transit service to newer areas, and two new express routes to help residents travel across the city quickly. These new services were completed without an increase to the budget, and resulted in an increase of Transit's ridership by five per cent by year end.

During the launch of the new routes in September, Transit ran a promotion called "Free Transit Fridays" which saw an average increase of 42 per cent. This promotion introduced customers to the new routes and offered an opportunity for customers to try the routes risk free by not having to pay. The ridership increase carried over to October with a 12 per cent increase in ridership.

2013 Highlights

- The Strategy Management Branch provided analysis and project management support for three critical projects over the course of 2013 – the Comprehensive Housing Strategy; the annexation of lands to support the new Official Community Plan; and the construction of the Wastewater Treatment Plant.

- In 2013, the City of Regina's use of on-line and interactive communications tools continued to grow:

    - The Regina.ca website received more than 1.76 million visits. This was an increase of 260 thousand visits, and according to the annual citizen survey, it remains the first choice of residents when seeking information about City programs and services;
    - Access by mobile devices (tablets or smartphones) increased 100 per cent and represents 49 per cent of Regina.ca's traffic;
    - The City Facebook page is approaching 27 thousand users, and continues to be the largest Facebook page of all Canadian municipalities;
    - City YouTube videos have now been viewed over 100 thousand times;
    - The City has about 21 thousand Twitter followers, a significant increase from 11 thousand at the end of 2012.

- Communications developed and implemented communications strategies for major initiatives such as the Regina Revitalization Initiative (RRI), Design Regina, the City's new Official Community Plan, construction of a new Sewage Treatment plant, and launched a social marketing campaign to support Waste Plan Regina, the City's new plan for waste and recycling services.

- Communications continued to increase the profile of the City and the corporation at events such as I Love Regina Day, the Home and Garden Show, and Grey Cup 101.

- Communications staff were the recipients of a Gold Medal from the prestigious Government Technology Awards in the category of "Next Generation Leadership".

- The Risk Management Branch of the Legal Department has investigated 1,307 incidents, settled 114 third party claims, and paid out a total of $116 thousand, as of December 2013.

- The Prosecutions Branch of the Legal Department has had 601 charges in court with fines assessed of $48 thousand in as of December 2013.

- In 2013, the Office of the City Clerk was responsible for planning and operating a Referendum on the Waste Water Treatment Plant. This process is almost identical to a municipal election and was carried out in a six week time frame.

- Administrative and procedural support was provided for City Council, three quasi-judicial boards and 16 committees.

- Administrative support was provided for an average of 23 meetings per month or 270 meetings, in which 287 agendas were created and delivered to elected officials and citizen members of committees.

- The City's Open Government program increased the number of available data sets to 24 and the number of public interest topics to 35.

- Access to information requests are tracked through the Office of the City Clerk as "formal" and "informal" requests. In 2013, the Office received and processed 53 formal requests and 29 informal requests. Also in 2013, a special project with the Health Department file concluded 32 requests processed during the year.

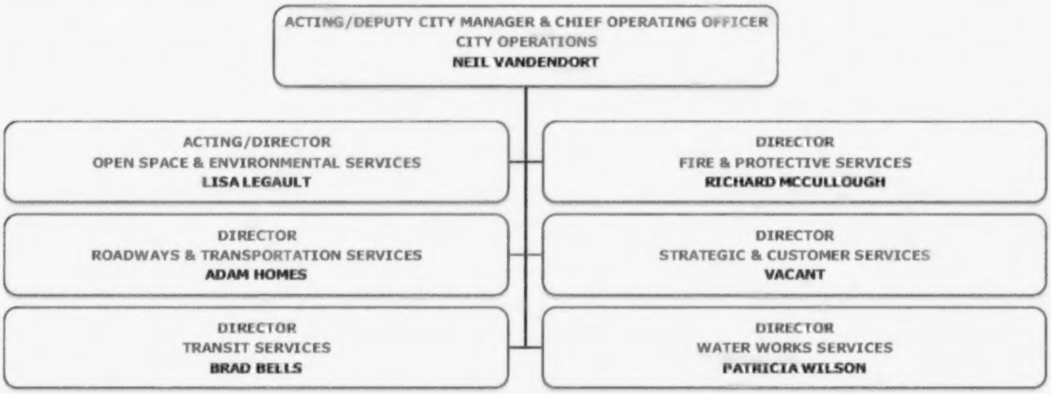
- The City of Regina Historical Collection went "virtual" on November 15, 2013. As of December 13, over 450 images were available for viewing online 24-7. Since the launch, the collection, hosted by Eloquent Systems Inc., has been accessed hundreds of times by users from all over the world.

City Operations

City Operations provides customer-focused professional and reliable public services that enable and enhance the quality of life for our community. It ensures that the City's municipal infrastructure systems are effectively preserved, funded and operated. City Operations is responsible for operating and maintaining of municipal infrastructure and assets, involving roadways, traffic, water, drainage, waste water and solid waste to meet regulatory requirements and community needs. The Division also contributes to building a safe community by providing fire and protective services, and transit and paratransit services for residents.

City Operations are the stewards of a significant portion of the city's infrastructure, ensuring that infrastructure systems are adequately preserved, resourcefully funded and effectively operated. This is accomplished through implementing best practices that advance safety, consistency, efficiency and reliability.

City Operations is comprised of six departments: Fire & Protective Services; Open Space & Environmental Services; Roadways & Transportation Services; Strategic & Customer Services; Transit Services; and Water & Sewer Services. In addition, Special Projects Secretariat and Service Regina are a part of City Operations. Service Regina delivers excellent day-to-day customer service for the corporation on a broad range of City programs and services through in-person service on the main floor of City Hall and a call centre.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OPEN SPACE & ENVIRONMENTAL SERVICES
LISA LEGAULT
DIRECTOR
FIRE & PROTECTIVE SERVICES
RICHARD MCCULLOUGH
DIRECTOR
ROADWAYS & TRANSPORTATION SERVICES
ADAM HOMES
DIRECTOR
STRATEGIC & CUSTOMER SERVICES
VACANT
DIRECTOR
TRANSIT SERVICES
BRAD BELLS
DIRECTOR
WATER WORKS SERVICES
PATRICIA WILSON

2013 Highlights

- In 2013, the Fire Department ensured compliance of their position as an Accredited Agency from the Center of Public Safety Excellence. This prestigious status measures the services, programs and governance against industry best practices.

- The Fire & Protective Services Department continues to broaden its scope of services providing increased emergency medical, technical rescue and hazardous materials responses. It also led the emergency preparedness and response program for the 2013 Spring Run-Off.

- The Fire & Protective Services Department operates seven fire stations and each serves an average of 28,200 residents. Annually the department:
  - Emergency dispatches an average of 3,500 for fire suppression, emergency medical assistance, hazardous material mitigation and rescue incidents;
  - Averages of 2,200 plus fire inspections and 160 plus fire investigations annually;
  - Responds to approximately 5,900 total deployments, which includes non-emergent investigations and public education and training;
  - Successfully trains and certifies 260 personnel in Hazardous Materials, Emergency Medical Care, Incident Command System, Flashover Survival, Technical Rescue and other related disciplines.

- The department contributed to the safety and security of visitors and residents of the City for several major events, such as the Juno Awards, the Paul McCartney Concert and the Grey Cup Festival, through emergency preparedness and code enforcement.

- The department hosted over 300 Fire Service Industry professionals at the Canadian Association of Fire Chiefs Conference in September. Attendees were from across Canada, the United States and the United Kingdom

- Annually, 39,000 plus citizens attend a number of public safety fire education events provided through the Public Education section. These programs include:
  - "Kids First" which delivers fire and life safety education to young families. This program is internationally recognized as a model in fire prevention and education.
  - In partnership with: Bylaw Enforcement, Regina Police Service, the two school boards and the Regina Qu'Appelle Health Region - Child and Youth Services Section, Fire and life safety education and enforcement programs were intentionally provided in the high fire risk areas of North Central, Heritage and Al Ritchie neighbourhoods.
  - A program entitled, "Remembering When: a fire and fall prevention for older adults" was designed to engage the growing senior citizen community. This is through a partnership with the Regina Senior Citizens Centre and the Regina Housing Authority.

- The department contributed to several corporate initiatives including the Business Transformation Project, Official Community Plan, Comprehensive Housing Strategy, Global Transportation Hub, Regional Planning, and the RM of Sherwood Fire Services Agreement.

- The Open Space & Environmental Services area protects and maintains 148,000 City-owned trees. The Forestry program includes a pruning cycle of 1:10 years and plants approximately 2,500 trees annually. In 2013, the City tree pruning increased 50 per cent over the previous year with 7,300 trees were pruned.

- The department creates floral displays throughout the City using flowerbeds, 500 plus planter pots and oak barrels. These displays are typically located in city parks, along main roads and major intersections. Despite hot and dry conditions throughout most of the 2013 summer, horticulture staff planted and successfully maintained 40,000 bedding plants.

- Mosquito control increased the water areas treated by 50 per cent to 4,600 acres, and as a result, mosquito breeding conditions were significantly reduced.

- The department maintains five public golf courses and the Leslie Lawn Bowling Greens. Despite a harsh winter, which resulted in a five-week delay, golf course staff ensured the golf courses were up and running in May to allow for a successful golf season.

- The department operates two municipally-owned cemeteries, Riverside Memorial Park Cemetery and Regina Cemetery, to provide the community with various interment options. In 2013, 600 interments performed. A new Columbarium installed at Riverside Memorial Park Cemetery adding another 104 niches for cremated remains.

- The 5th Annual Tree of Memories Event was held at Riverside Memorial Park Cemetery. The event provided family and friends the opportunity to celebrate the life of a loved one for the holidays.

- In 2013, the City's Solid Waste Collection branch converted approximately 6,000 households from shared alley garbage containers to individual rollout carts.

- The branch provides service to 61,400 single-family households on a weekly basis by individual roll out carts. This equates to approximately 60,000 tonnes of solid waste from our community.

- The landfill handled material delivered by approximately 170,000 vehicles, which amounts to 625,000 tonnes of material annually.

- Residential recycling was rolled out on July 1 and provides collection to 61,400 single-family homes on a bi-weekly basis by individual roll out carts. This program achieved a set out rate of 75 per cent, and 6,000 tonnes of recyclable material was collected since it was rolled out.

- A household hazardous waste event was held in October, the first since 2010. Residents showed their support by diverting more then 10 tonnes of hazardous product, 2,450 pounds of electronics, 9,900 pounds of paint and 159 tires.

- Leaf and yard depots were set up for the fall season providing residents an alternative to dispose of their leaf and yard waste. The material was diverted to a local composting farm for soil remediation purposes. Over a six-week period, 184 tonnes of material was collected.

- Regina's Roadway Network Inventory consists of:
  - 926 kilometres paved roads and 33 kilometres of gravel roads;
  - 1,289 kilometres of sidewalks;
  - 170 kilometres of paved alleys and 134 kilometres of gravel alleys;
  - Approximately 49 kilometres of easements;
  - 54 bridges, of which eight are rail overpasses, and 31 pedestrian bridges.

- The Roadways Preservation Branch's thin-lifted five bridges, performed testing of asphalt thickness on seven bridges, washed 31 traffic bridges and six underpasses, sealed 21 bridges, repaired three expansion joint glands, painted three pedestrian bridges and repaired two, and painted numerous guardrails and stub posts.

- The Sweeping & Alleys Branch swept approximately 3,100 kilometres of streets and 1,300 kilometres of sidewalks and boulevards. The Crews reconstructed approximately 3 km of paved alleys, refreshed approximately 130 gravel alleys, maintained 135 kilometres of gravel alleys, maintained 30 kilometres of high-grade roads, repaired various easement and guardrail locations, and washed and maintained 54 bridge locations. In addition, they constructed four crossovers on the Ring Road to assist with traffic flows during the paving of the Ring Road and reconstructed two LIP locations.

- The City has 185 signalized intersections, nine pedestrian half signals, 74 pedestrian corridors, and approximately 950 expressway lights.

- In 2013, the Traffic Signals & Lighting Branch installed 10 new traffic signals in 2013 and "retimed" traffic signals five arterial corridors, and numerous signal improvement projects, including the installation of left turn arrows, pedestrian countdown signals, audible pedestrians signals, were completed.

- In addition, the branch completed yearly planned maintenance for 185 traffic signals, nine pedestrian half-signals, 950 expressway lights and 74 pedestrian corridors, and provided underground utility location services for both internal and external customers to protect traffic signal related assets.

- The City's Street Sign Inventory includes over 60,000 street signs, all of which are maintained by City crews.

- Traffic Control & Parking Branch provided the following services in 2013:
  - Design and installation of 134 traffic accommodations and detours;
  - Coordinated event traffic for the Grey Cup, and 47 special events and 11 block parties;
  - Facilitated and coordinated 237 over-dimensional moves through the city;
  - Issued 918 temporary street use by contractors and the film industry; and
  - Installed 36 new accessible parking zones at private residences.

- In 2013, Traffic Control and Parking painted over 500 kilometres of lane lines and completed over 70,000 metres of crosswalk/stop bar pavement markings.

- In 2013, the Winter Maintenance team received a Customer Service Excellence Award for their excellent work during a record setting winter. During the 2012/2013 season, to deliver the expected level of service outlined in the Winter Maintenance Policy the branch provided:
  - Completed nine systematic plows of over 4,630 lane km;
  - Completed four residential plows consisting an additional 2,076 lane km;
  - Removed over 525,000 m3 of snow and hauled to the snow storage site;
  - Stockpiled an additional 975,000 m3 of snow hauled by the private industry to the snow storage site;
  - Applied over 24,500 tonnes of ice control material to the road network;
  - Contributed to a 24/7 operation with a combined total of over 115,000 manpower hours worked throughout the season; and
  - Inspected and responded to over 11,000 Service Requests through Service Regina.

- In 2013, the City's asphalt plant produced 83,000 tonnes of hot mix asphalt and 800 tonnes of cold mix asphalt. In addition, the asphalt plant produced 78,000 tonnes of granular materials.

- By producing asphalt mixes internally instead of through an external supplier, the City saved $1.6 million overall. This revenue, less the cost of production, is transferred to the asphalt plant reserve for future plant upgrades.

- The bulk materials operation provided 160,000 tonnes of granular and landscape materials to various City branches and public agencies. Recycled materials constituted 60 per cent of bulk materials sold.

- For the first time, Concrete services initiated a contracted trip hazard removal program to address approximately 2,500 trip hazards of between 25 and 40mm in height in the pedestrian traffic areas of the downtown and hospital corridors, as well as locations that have accessibility challenges that met the maintenance program priorities

- Service Regina provides first line customer service, responding to customer inquiries, requests for service and concerns relation to all City of Regina services. In 2013 this work area:
  - Answered 170,635 calls;
  - Handled 113,952 at the initial point of contact and did not require to create service requests;
  - Created 1,100 service requests through Facebook and 225 through Twitter;
  - Processed 113,857 services transactions in-person.

- Regina Transit continues to provide safe, convenient and affordable transportation for residents and visitors to special events such as concerts, Saskatchewan Roughrider football games and New Year's Eve celebrations. In 2013, Football Express ridership was at its highest level.

- In 2013, city buses provided approximately 6.2 million rides to the community, and the 107 buses travelled approximately 5.6 million kilometres. Door-to-door Paratransit service provided approximately 180 thousand trips and travelled an average of 1 million kilometres plus last year.

- Over the past four years, over 68 buses were replaced in the fleet, reducing the average age to 6.7 years. Since 2006, the number of accessible, low floor buses in service has risen from 26 to 100. These accessible low floor buses provide improved accessibility for all customers, especially seniors.

- In 2013, Transit installed security cameras on another 12 buses bringing the total number of buses with security cameras to 75. This feature provides a more secure environment for both our customers and employees.

- Regina Transit implemented a new routing system which introduced Transit service in areas that did not previously have service, and two new express routes to allow residents to get across the city quickly, all without increase to the budget. These changes increased Transit's ridership by 5 per cent by year end.

- During the launch of the new routes, Transit ran a promotion in September called “Free Transit Fridays” which saw an average increase of 42 per cent. This promotion introduced customers to the new routes and allowed them to try the routes risk free by not having to pay. The ridership increase carried over to October with a 12 per cent increase in ridership.

- The Transit Information Centre provides information 65 hours per week regarding conventional transit. The Paratransit booking lines are available 104 hours per week.

- In response to a changing customer dynamic, Transit continues to use Twitter and Facebook pages to provide timely information to customers about detours/delays in service.

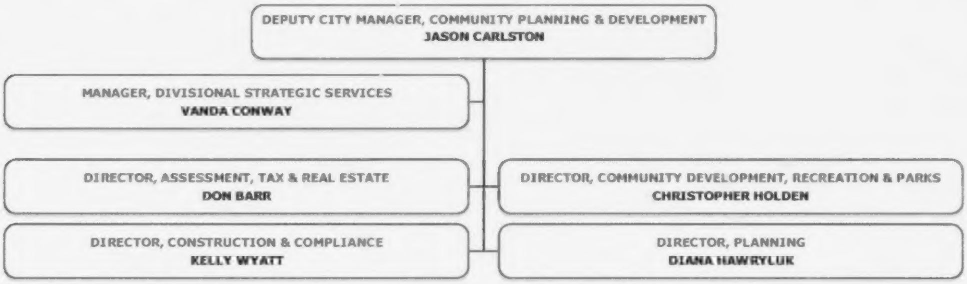
- In addition, each day there are, on average, over 2,500 visits to the Transitlive web page, over 800 text messages, and 200 calls to the Transitlive phone system.

Community Planning & Development Division

Community Planning & Development manages growth, development and provision of infrastructure, while being responsive to the needs and aspirations of the community. The Division contributes to building a healthy and caring community by providing community recreation and cultural programs and services.

The Division is responsible for the development of the Design Regina Official Community Plan (OCP) which articulates the long-term policies that support the creation of a city that reflects Council's Vision and achieves the community's priorities. In addition to leading long-term, comprehensive planning, engineering and development processes, the Division manages tax collection functions and ensures regulatory compliance so that development occurs in a manner that ensures public safety.

The Community Planning & Development Division includes the following departments: Assessment, Tax & Real Estate; Community Development, Recreation & Parks; Construction & Compliance; and Planning.


DEPUTY CITY MANAGER, COMMUNITY PLANNING & DEVELOPMENT
JASON CARLSTON
MANAGER, DIVISIONAL STRATEGIC SERVICES
VANDA CONWAY
DIRECTOR, ASSESSMENT, TAX & REAL ESTATE
DON BARR
DIRECTOR, COMMUNITY DEVELOPMENT, RECREATION & PARKS
CHRISTOPHER HOLDEN
DIRECTOR, CONSTRUCTION & COMPLIANCE
KELLY WYATT
DIRECTOR, PLANNING
DIANA HAWRYLUK

2013 Highlights

- In 2013 Regina City Council approved a new Official Community Plan (OCP) for the city. This plan will guide the growth of Regina over the next 25 years in accordance with the priorities of Regina citizens such as economic prosperity and long-term financial viability.

- Staff within the Infrastructure Planning Branch had a key role in developing the growth plan and necessary policies that accompany the City's Official Community Plan.

- A Comprehensive Housing Strategy was completed in 2013 with implementation continuing into 2014. The Strategy includes a complete revision of housing incentives to better aim City resources at housing needs.

- The department implemented most of the recommendations of the Regina Downtown Neighbourhood Plans (RDNP) and the Heritage Neighbourhood Sustainability Action Plan.

- The City and RM of Sherwood signed a Memorandum of Understanding and established three Committees to collaborate on land use planning and servicing in a joint planning area. Other regional work included joint resolutions of the City and RM Council's to alter the City boundary, hosting a Regional Planning Summit, and participation on committees with regional partners

- There were 25 Servicing Agreements executed with land developers in 2013 through the Infrastructure Planning Branch. These agreements pertain to the provision of services and collection of Servicing Agreement Fees in new growth areas of the City.

- $1.8 million of funding created 166 affordable housing units and seven city-owned lots went to local non-profit housing providers.

- The Building Standards Branch completed a study of the Building Permit fee for service model which balances resources to the present record activity levels in the building industry.

- Parking enforcement moved to City Hall and negotiated a new enforcement contract with the Corps of Commissionaires.

- A new procedure manual was developed and implemented to ensure consistency in the enforcement of the Regina Property Maintenance Bylaw #2008-48.

- The Engineering Services Branch assisted in the preparation of the site within Evraz Place for the new stadium.

- The International Association of Assessing Officers awarded the "Excellence in Assessment Administration Certification" to the Assessment, Property Tax and Real Estate Department. Regina is the first jurisdiction in Canada to receive this certification.

- In 2013, there were 2,548 new property accounts added to the assessment and tax rolls. The Assessment Branch completed 7,829 inspections in 2013, an increase of 8 per cent since 2012.

- For the 2013 tax year 35,400 or 46.9 per cent of eligible properties are on the Tax Instalment Payment Plan (TIPPS).

- The 2013 Reassessment completion was successful, with fewer customer inquiries and appeals than previous reassessments.

- The Assessment Branch responded to 223 appeals at the Board of Revision. Of these appeals, 156 were denied, five were granted, 11 were resolved by agreements, and 51 were withdrawn.

- The Real Estate Branch created, serviced, and sold, 47 acres of industrial zoned lots in Ross Industrial Park.

- The department began facilitating the development of the City's first cultural plan. This plan is a 10-year guiding plan that outlines the City's goals and objectives in cultural development – which includes cultural heritage, art, multiculturalism, inter-culturalism, cultural landscapes, and cultural industries

- The City hosted a wide array of special events in 2013 including the Juno Awards, a Paul McCartney concert and the Grey Cup.

- The department maintains a large and diverse municipal park and open space system comprised of a total of 1,592 hectares or approximately eight hectares of open space per 1,000 people. Included in the 1,592 hectares of open space are 324 parks.

- The City continued to implement components of the Recreation Facility Plan by upgrading three playgrounds in 2013. They also added to its already extensive multi-use pathway that extends 48kms across Regina. The construction of the North West multi-use pathway, set for completion in 2013-2014, will increase the pathway to extend more than 51kms across the city. An additional 10 hectares of new open space was added in 2013.

- Through community investment funding of $3.3M in 2013, the City provided financial support to approximately 110 community and partner organizations.

- Each year approximately 70,000 people visit the Neil Balkwill Civic Arts Centre (NBCAC) for a variety of exhibitions, arts and culture programs as well as hosting their own cultural events from the site.

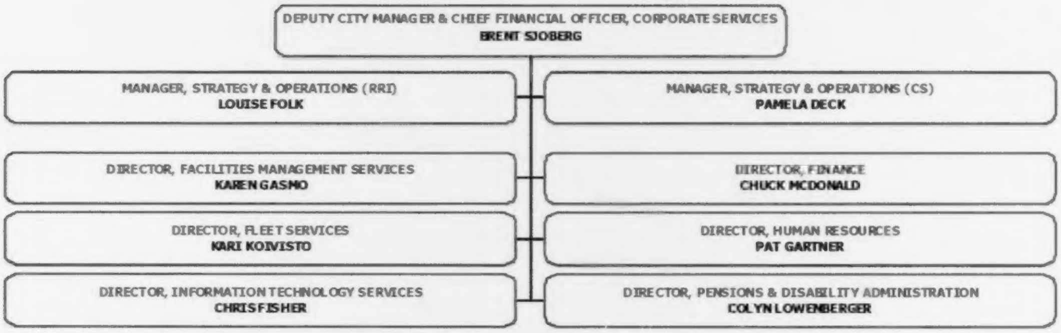
- There are more than one million individual visits to participate in sport or leisure activities at one of the City's fitness and aquatic facilities every year.

Corporate Services Division

The Corporate Services Division provides services and support to both internal and external customers, enabling the City to maximize its effectiveness and potential. While promoting a culture of safety within the organization, Corporate Services supports organizational capacities to assist operating divisions achieve their business objectives.

Through the division's five areas, responsibilities include the day-to-day operation of all City-owned facilities including security services; financial reporting and budget preparation; investment and debt management services; and billing and collection for the water, wastewater, and drainage utility. In addition, this Division provides fleet management and maintenance services; technology support including corporate data security.

Corporate Services includes: Facilities Management Services, Financial Services, Fleet Services, Human Resources, and Information Technology Services. In addition, the Director of Pension and Disability reports to the Pension Administration Board and connects to the City administratively through Corporate Services.


DEPUTY CITY MANAGER & CHIEF FINANCIAL OFFICER, CORPORATE SERVICES
BRENT SJOBERG
MANAGER, STRATEGY & OPERATIONS (RRI)
LOUISE FOLK
MANAGER, STRATEGY & OPERATIONS (CS)
PAMELA DECK
DIRECTOR, FACILITIES MANAGEMENT SERVICES
KAREN GASMO
DIRECTOR, FINANCE
CHUCK MCDONALD
DIRECTOR, FLEET SERVICES
KARI KOIVISTO
DIRECTOR, HUMAN RESOURCES
PAT GARTNER
DIRECTOR, INFORMATION TECHNOLOGY SERVICES
CHRIS FISHER
DIRECTOR, PENSIONS & DISABILITY ADMINISTRATION
COLYN LOWENBERGER

2013 Highlights

- The Business Transformation Program (BT) began in 2012 with the goal to replace the organizations varied business systems with one integrated system, Enterprise Resource Planning (ERP). By creating an integrated system, business and customer service throughout the City are made more effective and efficient. In 2013, the following projects were completed:
  - Supply Chain Self Serve
  - Requestor Self-Serve
  - Tangible Capital Assets (TCA) Register Conversion

- Other BT projects which started in 2013 and will continue into 2014 and 2015 include:
  - HR & Payroll System, Time & Labour and Scheduling
  - Corporate Payment Collection

- Facilities Management Services supports more than 220 buildings and almost 400 additional structures that range from recreational, administrative, and operational buildings to spray pools, bus shelters, and park structures.

- With the rapid growth occurring in the Harbour Landing area in south west Regina, a Parks Maintenance sub-depot is required to store equipment used to maintain City owned parkland in the area. The sub-depot in this location will eliminate inefficiencies created by the current location. In addition, a new outdoor rink was built near the sub-depot building and therefore it was determined that rather than build a typical stand-alone rink shelter, the rink shelter space could be accommodated within the parks maintenance sub-depot building. This will result in cost savings associated with the design and construction of the joint-use facility.

- Facilities Management Services assumed the lead of the Landfill Scale Facilities and Infrastructure Project. The project is comprised of a new entrance road to serve the landfill along with new support infrastructure including scales, scale facilities and other upgrades. The project deliverables will provide the City of Regina Landfill with support amenities that will serve users of the landfill for the next 25 years and will support the landfill expansion.

- In 2013, Facilities Management Services identified a number of public parking lots in critical need of repair, including the Sandra Schmirler Leisure Centre, the Hamilton Arena, and the North West Leisure Centre. These repairs were scheduled during shutdowns of the facilities, thus limiting the disruption to the public.

- Mosaic Stadium was extremely busy in 2013. In addition to the stadium's regular activity, there were four major events held at the facility. The stadium hosted a successful Paul McCartney concert in August, which had 45,000 spectators. In November, the venue very successfully hosted the Canadian Junior Football championship, a Canadian Football League Western final play-off game and the biggest party in Canada – the 101st Grey Cup championship, which attracted 45,000 fans.

- Financial Services is the lead to implement the capture and reporting of the Public Sector Accounting Board (PSAB) requirements for tangible capital assets. Over $1.5 billion in City assets have been classified and reported since the City's 2009 Financial Statements. The City will continue to report on the complete stock of tangible capital assets and amortization in the financial statements to demonstrate stewardship and the cost of using those assets to deliver programs and provide services.

- Finance successfully implemented the Assets module of Oracle Financials in order to improve the data security and integrity, enhance internal controls and automate some of the previously manual functions. The module is also a foundational piece that integrates with other Oracle Financials modules being planned for in the future as part of the ongoing Business Transformation Program.

- Fleet Services manages and maintains about 1,200 vehicles within the Civic, Transit and Fire fleets, and annually delivers over 300 operator training sessions attended by more than 1,600 employees.

- The Fleet Services Department continues to implement the recommendations of the GreenFleet Report to minimize the negative environmental impacts of the City's vehicle and equipment fleet.

- Human Resources work unit supports approximately 290 client Managers and Supervisors, plus coordinators, team-leads, crew-leads, with managing and optimizing their human resources, encompassing more than 2,500 permanent, casual and seasonal employees.

- An objective on the 2013 corporate scorecard was to reduce personal and financial risk to employees and the organization through a strong culture of safety was achieved. Human Resources developed and delivered the foundational components of the safety program, which has enabled/assisted the City in changing its culture towards safety. One measure of this objective included achieving a lost time incident frequency of six. Another required that at least 80 per cent of managers and supervisors conduct regular safety meetings and workplace inspections.

- The City of Regina undertakes a comprehensive survey of employee perceptions once every two years. Employees participated in this survey in June of 2013 and shared survey results with employees in the all. HR will focus on supporting departments to build actions into their 2014 business plans to respond to the issues and ideas raised by the employees. In addition, HR is facilitating a consultant led process to further analyze the corporate results and determine corporate action plans moving forward.

- ITS supports 1,600 City staff, who utilize over 70 different business applications through a stable, state-of-the-art network connecting over 60 City facilities, and enabling a mobile workforce. Throughout 2013, the ITS staff assisted or lead the following:
    - Enabled a mobile workforce through implementation of tablets and other mobile devices. This included Commercial Assessment, Fire and City Operations, resulting in improved business efficiencies and quicker response.
    - Upgraded the Work Asset Management system to provide better integration with other City applications.
    - Upgraded the Records Management System to prepare for electronic records management.
    - Established working committees to provide corporate strategic direction and priority setting on technology and data used across the organization.
    - Provided development and support for the creation and maintenance of recycling, garbage services, and inventory within the Water Utility Billing system. Working with third parties, processes for route maintenance and mapping services for online services was developed.
    - Completed the on-line access to property assessment information through the tax and assessment system for key 3rd party customers.

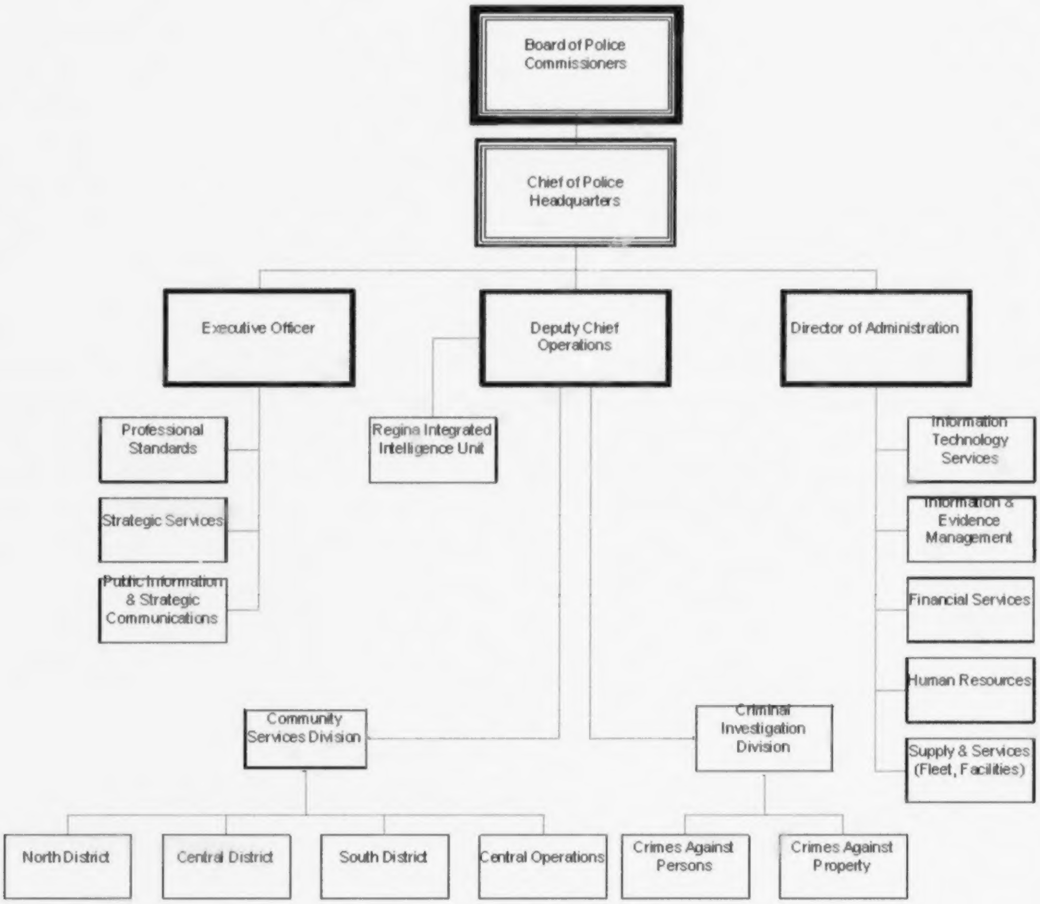
- Continued expansion of the City's fixed broadband wireless network that connects Traffic Signals and buildings to the corporate network, including improved connection to the Landfill site, arenas, and leisure facilities.
- The City's data backup & recovery system was optimized to improve efficiency and reduce business disruptions.
- Identified strategic direction for office productivity and collaboration applications, with a decision to move to a hosted cloud solution. Microsoft's Office365 offering was selected as the most suitable for the City's environment.
- Completed the conversion of the City's email solution from GroupWise to Outlook. Over 1,700 corporate mailboxes were migrated and employees trained in six weeks.
- The City's 20 year old data network was redesigned to align with current technology standards, providing additional stability, security, and flexibility. The environment is now better positioned to keep up with technology advancements.
- Implemented a new network storage solution to provide additional performance capacity and flexibility to corporate business areas, while minimizing future costs.
- Continued using LEAN methodology to perform value-based mapping of key internal processes. Implemented revised processes and new technology within the Print Shop, and the rest of ITS, with processes involving IT Service Management. The initiative included workforce analysis, staff reorganization, creation of a service catalogue, and implementation of a new ITSM tool.
- Upgraded Fleet Management system to most current release, maintaining currency.
- Expanded Print Services capabilities, enabling in-house support for additional print requirements.

Regina Police Service

The Regina Police Service takes a lead role in providing public safety in the City of Regina. Recognition of this role is embodied in the Service's mission statement, and is the central principle underlying all our activities. At the May 22, 2013 Board of Police Commissioner's meeting the following Mission, Vision and Values were adopted:

Mission: Public service first
Vision: Working together to keep Regina safe
Values: Respectful, Professional, Service

The Strategic Plan is based on four integrated areas of focus: service delivery; partnerships and community engagement; recruitment and employee development; and business processes and infrastructure.



Board of Police Commissioners
Chief of Police Headquarters
Executive Officer
Deputy Chief Operations
Director of Administration
Professional Standards
Strategic Services
Public Information & Strategic Communications
Regina Integrated Intelligence Unit
Information Technology Services
Information & Evidence Management
Financial Services
Human Resources
Supply & Services (Fleet, Facilities)
Community Services Division
Criminal Investigation Division
North District
Central District
South District
Central Operations
Crimes Against Persons
Crimes Against Property

2013 Highlights

Service Delivery

The Regina Police Service's Core Functions are emergency response, quality investigations and response to non-emergency calls, traffic safety, and crime prevention/community building. The anticipated outcomes of these efforts are crime reductions, increased public feelings of safety and security and decreased public fear of crime.

- Across the community there have been reductions in most crime categories.
- Thru September 2013, School Resource Officers conducted 3,862 park checks and 2,331 school grounds checks.
- Continued focus to drinking establishments to enhance public safety. A taxi queue was established on Dewdney Avenue to increase safety for patrons.
- Continued focus on impaired drivers to enhance traffic safety. Impaired driving charges increased 30 per cent over 2012.
- The Graffiti Investigator has been in place for over a year and clearance rates have been reduced from below 10 per cent to more than 25 per cent.

Partnerships and Community Engagement

The Regina Police Service has a crucial role in reducing crime and increasing safety in Regina, but we do not work alone in this endeavour. We require assistance from the community, including public reporting of occurrences and providing input, so we can best meet the community's priorities. We also require assistance from our local, provincial, and national partners who share stake in improving community well-being.

- The Citizens Police Academy (CPA) has provided its program for over 20 years resulting in over 1,700 citizens graduating. There are 95 active CPA alumni.
- Provided policing to a number of high profile community events including First Nations University Pow Wow, Regina Folk Festival, Agribition, Queen City Exhibition, Canada Day, North American Indigenous Games (NAIG), and Sisters In Spirit – Missing Aboriginal Women Vigil.
- Continued with the multi-agency assessment and response team for children ages 11 and under (11UI) identified as at-risk for involvement in the criminal justice system.
- Participated in the development of the Campus Regina Public Program in partnership with the Regina Public School Division to provide advice in the development of curriculums for Law, Public Safety and Security courses and participate in the delivery of the courses to Grade 11 and 12 students.
- Hosted the 18th Annual Regina Police Service Showcase (Open House) with over 3,000 people in attendance.
- Hosted the annual Regina Police Service Veteran's appreciation lunch.

- The Regina Police Service parade float will participate in the following parades: Queen City Exhibition, Treaty 4, Grey Cup and Santa Claus.

- Continued participation in a wide variety of cultural events including Regina Traditional Healing Gathering, Camp fYrefly for LBGTTQ & A youth, Mosaic, and Regina Ukrainian Fall Festival.

- Developed a comprehensive policing plan for Grey Cup with various public safety partners and event hosts. The Service provided a visible presence at all events to ensure smooth traffic flow and provide effective crowd control.

Recruitment and Employee Development

A qualified, well-trained and motivated staff properly deployed, is crucial to delivering optimal service to the people of Regina.

- Continued Diversity Mentorship Program along with participation in Saskatchewan Police Aboriginal Recruiting Committee (SPARC), and Treaty 4 Citizen's Police Academy in an effort to attract and prepare First Nations applicants.

- A 'Block Training' model for the delivery of mandatory training for sworn members, such as Firearms Training and Qualification, Defensive Tactics Training and Recertification, and Emergency First Aid, CPR and AED Training was successfully implemented and achieved 94 per cent participation.

- Provided support for a member to participate in an international policing mission in Afghanistan for one year.

- Worked to develop a training portal through a national policing training center, Canadian Police Knowledge Network (CPKN). The portal will enable all employees to access on-line learning for self-development and for directed training.

Business Processes & Infrastructure

The Service is committed to evaluating and adapting its facilities, equipment, and business processes to ensure they meet service objectives and the organization's needs are consistent with sound budgeting principles and reflect forward planning.

- Continued to enhance the new technology for scanning, storing, transmitting and searching fingerprints.

- Expansion of in-car video capability to all new patrol vehicles.

- Continued policy review and rewrite initiative, and to date, more than 70 per cent have been completed or are in the review stage.

- Following a high profile event the use of Facebook was suspended pending implementation of social media management software to help moderate the site. In September 2013 the Service republished its Facebook account.

- Formalized a pension agreement with the stakeholder groups which will see the implementation of a 'Target Benefit' plan which will provide for the ongoing sustainability of the pension plan for the Regina Police Service members.

- The Radio Upgrade Project Working Committee continued its work to update the City's trunked radio system with implementation scheduled for 2014.

- Worked collaboratively with the City of Regina Facility Management Services Department to develop a facilities renewal plan for the Regina Police Service. The joint Facilities Renewal Project Steering Committee is finalizing the space needs assessment and will provide a closing report including next steps.

- Undertook planning for the reintroduction of CEWs (Conducted Energy Weapons), commonly called "Tasers" as a 'less than lethal' weapon for police members including development of policy, training delivery plan and equipment acquisition and logistics plan. CEWs are planned to be introduced in early 2014.

The Environment We Work In

A Period of Economic Growth

Regina's economic growth remained strong at an estimated 5.0 per cent in 2013, on the heels of two years with growth averaging above 5 per cent, according to forecasting agency the Conference Board of Canada and its Metropolitan Outlook, Winter 2014 report.

Saskatchewan's retail sales hit a record $18 billion in 2013, an increase of 3 per cent over 2012, and the third-highest percentage increase in Canada, according to data released by Statistics Canada. Gross Domestic Product (GDP) growth is forecast to ease, by recent Regina standards, to 3.5 per cent in 2014 and remain above 3 per cent in 2015.

The pace of growth over the past two years has been well above the average annual increases over the past 20 years. Building permits issued in Regina in 2013 were the second highest on record at $735 million, up 182 per cent from 2006 and down only 5 per cent from the record year in 2012.

More and more Canadians are choosing to call Regina home, with the City's population growing in excess of 3 per cent annually in both 2012 and 2013 on top of several years of 2 per cent annual growth. While in-migration is expected to ease somewhat in 2014, population growth is forecast to stay near 2 per cent. Such a healthy pace of population growth has boosted housing starts for four straight years, including a 15 per cent growth in residential units in 2013, to 3,100 new units, on top of a 70 per cent surge in 2012.

Such strong economic growth has led to employment increases for eight consecutive years, including a 5.5 per cent rise in 2013. Nearly 24,000 jobs have been created over those eight years. Employment gains are forecast to moderate in 2014, but the unemployment rate is expected to remain below 4 per cent. This low level of unemployment, combined with a labour force participation rate approaching a record high, suggests nearly full employment.

Economic growth has also created some significant challenges at the municipal level. Regina's apartment vacancy rate was 1.8 per cent in October 2013, an increase from 1 per cent the previous year, but still a difficult scenario for residents who rely on affordable rental housing. Regina's unemployment rate was 3.9 per cent in November of 2013, compared to a 6.9 per cent Canadian average and the lowest of any major city in Canada. The unemployment rate has increased the need to recruit new workers to the city, who are then unable to find affordable places to live. There is a risk that Regina's economic growth could be slowed by its limited capacity to house the workers required to support that growth.

The City's Workforce

The unemployment rate and competitiveness of the current labour market impacts the City as an employer of professions and skilled trades who are also in demand by new and expanding businesses and industries across the region and province. Without a stable base of employees engaged in delivering municipal services, those services will not deliver on the expectations and needs of residents. This risk is exacerbated by the City's employee demographics, which indicate that a large proportion of long-term employees are due to retire in the next five years.

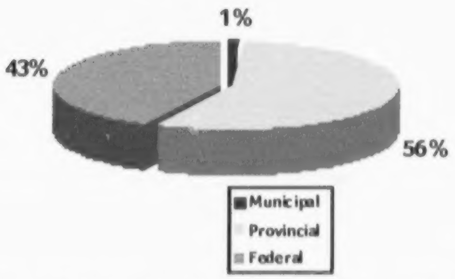
Revenues and the Infrastructure Deficit

The City of Regina's costs are rising faster than its revenues. This is due to several factors including:

Rapid inflation for costs such as construction materials
The inelasticity of property tax (revenues do not grow with the economy as they would with sales or income tax)
Decreased investment in capital infrastructure from other levels of government.

On the issue of the property tax, which is the primary revenue tool for municipalities, there is wide recognition of the structural problems. Research conducted by the Canada West Foundation in 2007 showed that, in real dollar terms, per capita revenues for municipalities increased by only 1 per cent in the 17 years between 1990 and 2007. During the same period, provincial and federal per capita revenues (also in real dollar terms) increased by 43 per cent and 56 per cent respectively.

Real per capita revenue growth 1990-2007



The real per capita revenue growth of municipal, provincial and federal government in Canada between 1990 and 2007[1]

In Regina, this issue is compounded by recent growth. The city has grown up until this point by using excess capacity from infrastructure developed in the 1970s. We have now reached the limits of that excess capacity and significant new investment will be required to allow Regina to grow to the next level.

Particularly in this period of growth, demand for services is outpacing the City's capacity to deliver those services. In an effort to keep fees and taxes affordable for residents, the City's historic response to this imbalance has been to defer the renewal of assets and infrastructure. Two decades of deferral has created a backlog of necessary infrastructure renewal that the City estimates will take an additional investment of $93 million per year for 20 years to address. This includes such things as the renewal of residential roads, recreation facilities, and the various facilities in which the City conducts its business. It does not include the maintenance and renewal of new assets such as those in new neighbourhoods. In due course, if left unresolved, this backlog will severely impact the City's ability to safely and effectively deliver service.

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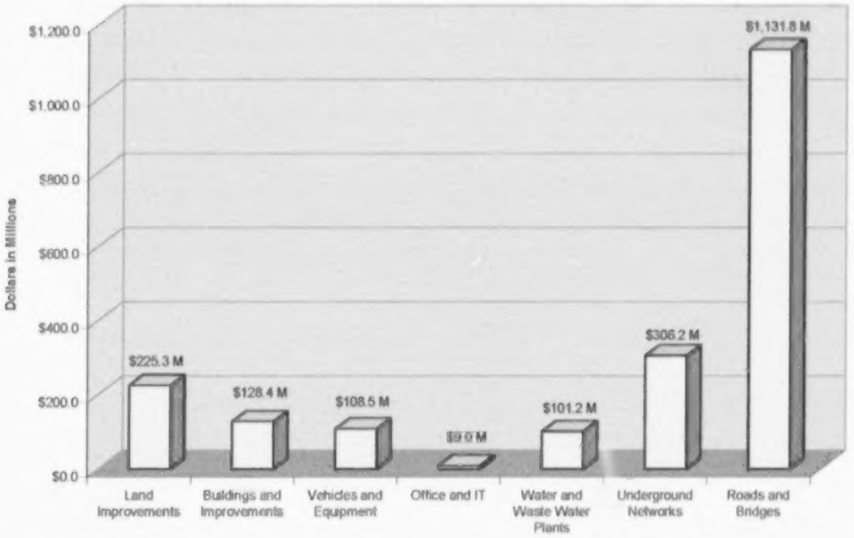
[1] Vander Ploeg, C.G., *Problematic Property Tax: Why the Property Tax Fails to Measure Up and What to Do About It* (Canada West Foundation, November, 2008).


Investment Required to Replace and/or Rehabilitate Assets

The City of Regina is currently undertaking two major infrastructure renewal projects, each of which requires in excess of $200 million in capital investment, the Wastewater Treatment Plant (which also responds to regulatory change and will better serving the City's growing population), and a new multi-purpose stadium to replace the aging Mosaic Stadium. This project will enable the redevelopment of downtown lands for housing and commercial use, with the potential to revitalize a central neighbourhood.

Our Future

While growth presents challenges, there is also significant opportunity for the City at this time.

The new Official Community Plan, Design Regina, which was approved in 2013, will direct growth and change in the city for a population of up to 300,000 people, projected to occur over a 25-year period. The development process included extensive public and stakeholder engagement in creating a plan that would address their priorities. The resulting plan presents a bold vision for what a Regina of 300,000 citizens will offer residents and visitors. Achieving Design Regina will take leadership on the part of City Council and Administration, but will also require action from other stakeholders in the city's economy and community. Most of all, the momentum built through the broad engagement practices in the Design Regina process raised expectations among residents for continued dialogue and involvement in City policy decisions.

The journey towards achieving the Vision and Community Priorities will be paced over 25 years, and approached as a marathon, not a sprint.

Given the implications of the current external and internal environment described above, the City is positioned to make measured progress towards key foundational components of the OCP within this first strategic planning cycle.

Guided by the City's Vision, but also respecting the need to minimize the burden on tax payers, the 2014 – 2017 strategic plan, Building the Foundation, is intended to lay the groundwork for achieving the Design Regina Plan by focusing on four strategic directions in the near term:

- *Manage Growth*
- *Improve Financial Viability*
- *Engage and Develop Staff*
- *Engage Citizens*

The City of Regina continues to grow and diversify, and the City of Regina is committed to working toward supporting its changing needs. Guided by the City's Vision, but also respecting the need to minimize the burden on tax payers, priorities will continue to be:

- Maintaining our commitment to service to the community
- Managing and servicing the unprecedented growth the City has seen in the last five years
- Tackling the challenges of an aging infrastructure

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

December 31, 2013

INTRODUCTION

The City of Regina 2013 Annual Financial Report contains the audited Consolidated Financial Statements prepared in accordance with principles and standards established by the public sector accounting standards (PSAS) of the Chartered Professional Accountants of Canada, as required by *The Cities Act*.

The following financial statement discussion and analysis was prepared by City of Regina Administration. It should be read in conjunction with the audited Consolidated Financial Statements and schedules.

HIGHLIGHTS

- The 2013 Consolidated Financial Statements report net financial assets of $115.8 million, an increase of $35.4 million from $80.4 million at the end of 2012. Net financial asset position indicates financial resources are on hand to finance future operations.
- The 2013 Consolidated Financial Statements also show an excess of revenues over expenses of $153.2 million compared to $107.0 million 2012.
- The City's accumulated surplus increased from $1.294 billion at the end of 2012 to $1.447 billion at December 31, 2013. Virtually all of the accumulated surplus is tied up in non-financial assets, such as tangible capital assets. Non-financial assets were $1.331 billion at the end of 2013. Net financial assets are a better indicator of the financial resources on hand to finance future operations.
- Revenues increased by $58.0 million and expenses increased $11.9 million from 2012. The reason for the increase in revenue is primarily due to the rate increase in water utility and other fees and charges due to increase use of services by citizens and planned increases in fees.
- The City's reserves increased by $40.6 million to $203.8 million. The General Utility reserve increased by $22.2 million due primarily to the utility operating surplus. The Land development reserve increased by $11.2 million due to the significant land sales in 2013.

Demographic and Economic Information

	2013	2012	2011	2010	2009
Population (Census Metropolitan area)	232,090	226,000	217,000	215,000	210,000
Building permits					
Number	3,300	3,342	2,790	2,539	2,307
Values ($000)	734,737	773,273	547,700	426,800	458,400
Urban dwelling starts	3,122	3,093	1,694	1,347	867
Inflation rate for Regina (%)	1.7%	1.8%	2.9%	1.5%	1.7%
GDP Growth for Regina (%)	3.5%	4.2%	6.1%	2.3%	0.1%
Unemployment rate (%)					
Regina	3.7%	3.6%	5.3%	4.8%	4.4%
Saskatchewan	4.0%	4.7%	5.0%	5.2%	5.8%
Canada	7.1%	7.2%	7.4%	8.0%	8.2%
Average selling prices of homes ($)	311,047	301,332	268,000	258,000	244,000

December 31, 2013

ANALYSIS

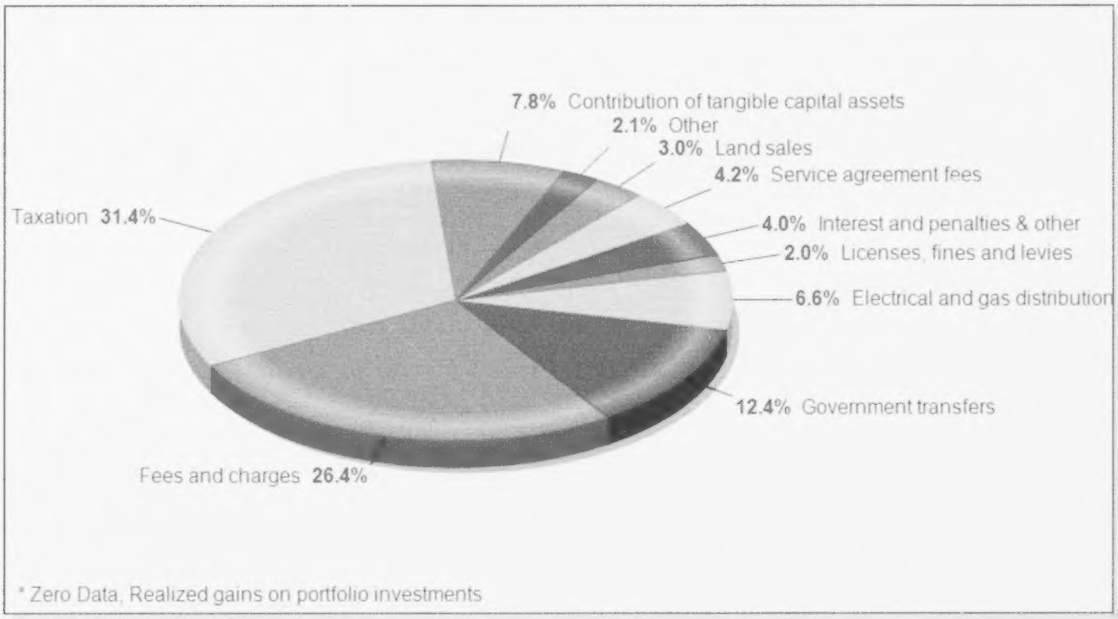
Revenues - Budget to Actual and Prior Year Comparison

	2013 Budget	2013 Actual	Budget Variance Favourable (Unfavourable)	2012 Actual	Year over Year Increase (Decrease)
Taxation	188,449	188,057	(392)	174,843	13,214
Fees and charges	160,255	158,478	(1,777)	148,209	10,269
Government transfers	73,773	74,335	562	72,452	1,883
Electrical distribution	29,636	32,843	3,207	30,075	2,768
Licenses, fines and levies	12,495	11,814	(681)	11,421	393
Gas distribution	6,700	6,739	39	5,620	1,119
Interest and penalties	1,525	1,406	(119)	1,261	145
Interest on portfolio investments	7,713	9,665	1,952	8,580	1,085
Realized gains on portfolio investments	-	(1)	(1)	3,006	(3,007)
Service agreement fees	19,718	25,374	5,656	14,696	10,678
Land sales	3,103	18,128	15,025	2,667	15,461
Other	5,943	12,812	6,869	4,062	8,750
Contribution of tangible capital assets	-	46,980	46,980	51,753	(4,773)
	509,310	586,630	77,320	528,645	57,985

The schedule above includes both operating and capital revenues.

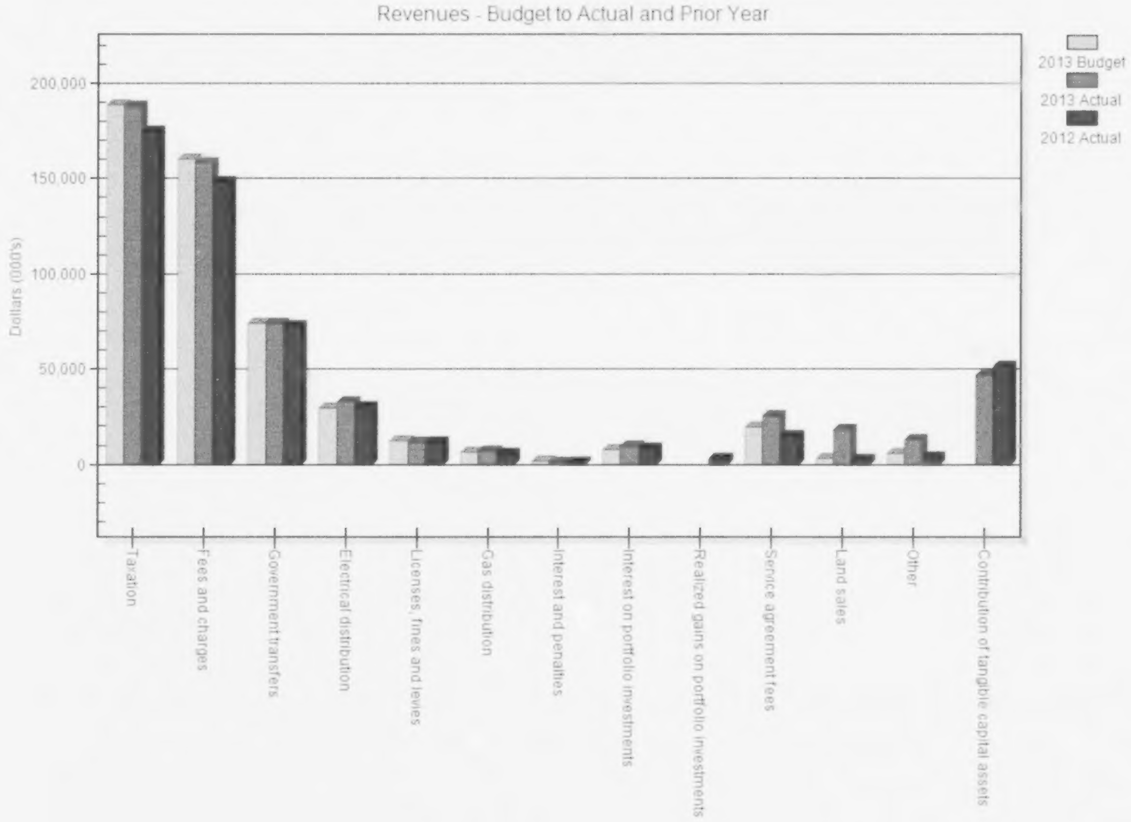
ANALYSIS (cont'd)

2013 Revenue



December 31, 2013

ANALYSIS (cont'd)



Taxation revenue for 2013 was $13.2 million higher compared to 2012 primarily due to an increase in the number of properties coming onto the assessment roll during the year and a 4.45% increase in the mill rate.

Fees and charges for 2013 were (1.1)% below budget. They were $10.3 million higher than 2012 actual due to the 9% utility rate increase, increased fees related to development (such as building permit fees and servicing agreement fees) as well as increases in usage of user fee services such as Transit.

Government transfers were $0.6 million or 0.8% above budget primarily due to government transfers being budgeted on a cash basis while actuals are recorded when related expenses are incurred. The variability with budget is due mainly to capital grants, which vary from year to year. Government transfers in 2013 were $1.9 million more than 2012. Capital government transfer increased due to an increase use of SAF, a $5.0 million grant from provincial for the stadium; this was offset partially by reduced Provincial Territoral Funding as that agreement winds down.

ANALYSIS (cont'd)

Service agreement fees for 2013 were $ 10.7 million more than 2012. When a servicing agreement is entered into between the City and a developer, the fees collected are inflows of cash or accounts receivable to the City. However, under revenue recognition principles, the revenue is not recorded/recognized until it is allocated to eligible projects. Servicing agreement fees collected in a given year per agreements entered into are recorded as revenue or deferred revenue based on these principles. For 2013, there was a significant increase in roads and parks service agreement fees revenues as more SAF funds were allocated and spent in projects.

Contribution of tangible capital assets for 2013 were $47.0 million above budget since this item is not budgeted for. This revenue includes tangible capital assets, such as land, roads, and underground networks that the City receives at no cost or below fair market value. However, the City will be expected to maintain and rehabilitate these assets from this point forward.

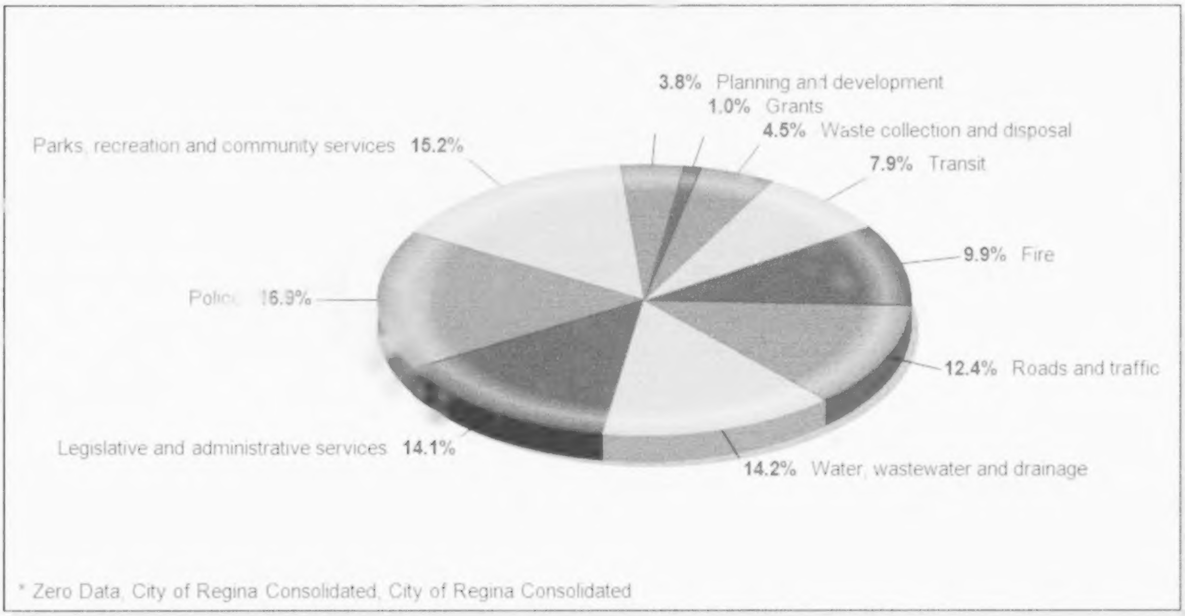
ANALYSIS (cont'd)

Expenses - Budget to Actual and Prior Year Comparison

	2013 Budget	2013 Actual	Variance Favourable (Unfavourable)	2012 Actual	Increase (Decrease)
Parks, recreation and community services	67,246	65,937	1,309	61,422	4,515
Police	70,400	73,308	(2,908)	69,156	4,152
Legislative and administrative services	66,114	61,171	4,943	57,510	3,661
Water, wastewater and drainage	66,973	61,435	5,538	63,392	(1,957)
Roads and traffic	58,080	53,828	4,252	45,783	8,045
Fire	45,939	42,795	3,144	43,575	(780)
Transit	32,457	34,317	(1,860)	31,049	3,268
Waste collection and disposal	18,098	19,712	(1,614)	30,977	(11,265)
Grants	8,151	4,459	3,692	4,575	(116)
Planning and development	16,005	16,517	(512)	14,167	2,350
	449,463	433,479	15,984	421,606	11,873

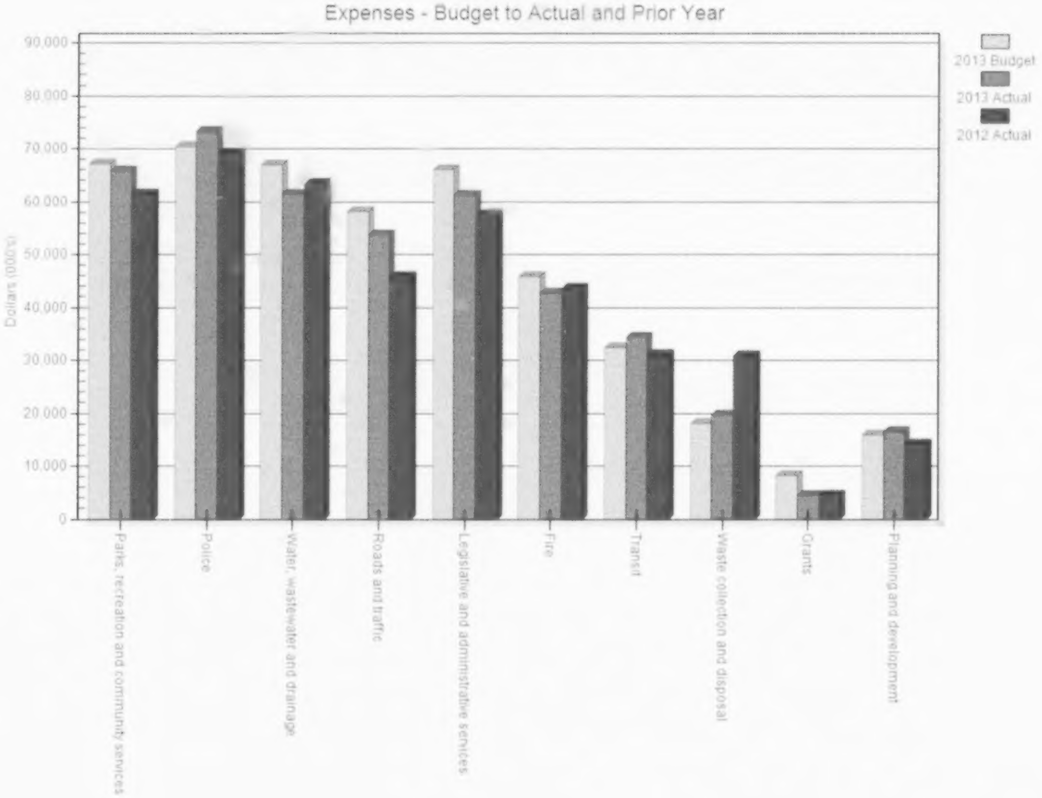
The schedule above includes both operating and capital expenses.

2013 Expenses



* Zero Data, City of Regina Consolidated, City of Regina Consolidated

ANALYSIS (cont'd)



Water, wastewater and drainage expenses were $5.5 million lower than budget due to a debenture that was paid off in 2012, resulting in lower debt expenses and due to a $1.7 million budgeted expense for odour control which was not required due to odour control projects completed in early 2013. Expenses for 2013 were $1.9 million lower than 2012 due to debt paid off in 2012.

Waste collection and disposal expenses were $11.26 million lower than 2012 primarily due to the adjustment of landfill liability which is only $3.1 million in 2013.

Roads and traffic expenses were under spent by approximately $4.0 million compared to budget due to $1.5 million reduction of sweeping and alley maintenance and a reduction of cost allocation.

Legislative and administrative services expenses were lower than budget due to a $1.7 million decrease in employee benefit obligations in 2013. There was a reduction of entitilement banks, such as sick and vacation. The

ANALYSIS (cont'd)

rest of the underspend was due to the debt that was not issued until early 2014 for the stadium.

For purposes of establishing and monitoring budgets, operating, capital and utility expenses are considered separately. Overall, the General Operating Fund expenses were over budget by $11.8 million. The largest variances were:

- $14.8 million increase in Reserve Transfers;
    - $7.7 million to the Asset Revitalization Reserve
    - $2.5 million to the Planning & Sustainability Reserve (arising from increased revenues associated with Building Permit Fees)
    - $2.0 million to the Social Development Reserve (related to the payment received from Saskatchewan Housing Corporation from sale of North West Lands)
    - $0.7 million to the RRI Stadium Reserve
    - $0.5 million to the Police Reserve
    - $0.2 million to the Golf Course reserve
    - $1.2 million other transfers to cemeteries, pest management, parking , facilities and other smaller reserves
- $2.2 million in External Expenses the majority arising from equipment rental and the Evraz arenas operating payment
- $1.3 million related to internal expenses arising from increase fleet costs and corporate overhead recovery
- $1.5 million in office and administrative expenses associated with data processing. Searches (land titles), bad debts and office costs
- $0.7 million for professional and external services
- $0.2 million in community investments
- $(6.3) million decrease in salaries, benefits and related payments
- $(3.5) million decrease in debt servicing costs as the City did not issue debt as originally planned

ANALYSIS (cont'd)

General Capital Fund - Budget to Actual Comparison

	Budget 2013	Actual 2013	Actual 2012	Actual 2011	Actual 2010	Actual 2009
Revenues						
Government transfers						
Federal	11,080	11,864	15,906	14,244	31,581	26,696
Provincial	18,475	7,051	282	5,527	8,527	23,976
Service agreement fees	10,827	11,126	1,343	9,419	6,790	10,583
Other revenues	2,350	850	590	20,594	17,606	8,213
	42,732	30,891	18,121	49,784	64,504	69,468
Expenses	99,026	63,258	53,239	54,414	53,841	83,282
(Expenses over revenues) revenues over expenses	(56,294)	(32,367)	(35,118)	(4,630)	10,663	(13,814)

Actual revenues only reflect the funding that is spent in the year referred to. Additional funding may be available for future years.

There is generally more variability in actuals to budget for capital projects. City Council approves budgets for each capital project based on the maximum forecast expenditure for the year to accommodate the planning and scheduling requirements associated with capital projects. There is typically a portion of the year's budget carried forward to future years for projects not completed within the fiscal year. At the end of 2013, the carry-forward amount available in the General Capital and Utility Capital funds was $126.9 million (2012 - $135.1 million).

December 31, 2013

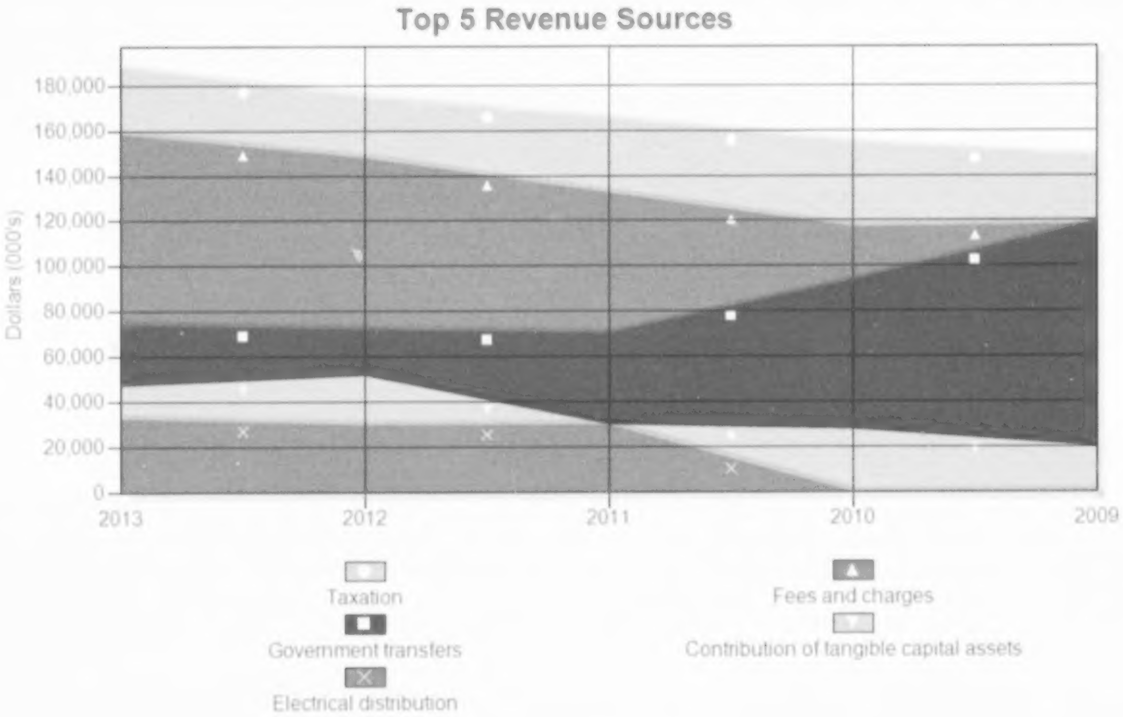
SIGNIFICANT TRENDS

Revenue Summary

	2013	2012	2011	2010	2009
Taxation	188,057	174,843	165,224	154,746	148,529
Fees and charges	158,478	148,209	132,470	117,503	118,735
Government transfers	74,335	72,452	70,733	93,723	119,601
Electrical distribution	32,843	30,075	30,061	28,633	27,110
Licenses, fines and levies	11,814	11,421	11,097	10,166	9,863
Gas distribution	6,739	5,620	6,645	6,875	8,532
Interest and penalties	1,406	1,261	1,366	2,018	8,990
Interest on portfolio investments	9,665	8,580	9,484	n/a	n/a
Realized gains on portfolio investments	(1)	3,006	3,963	n/a	n/a
Service agreement fees	25,374	14,696	18,875	12,537	20,187
Land sales	18,128	2,667	9,871	3,636	2,474
Other	12,812	4,062	3,483	2,221	693
Contribution of tangible capital assets	46,980	51,753	29,711	27,386	19,828
	586,630	528,645	492,983	459,444	484,542

*The City did not start separately tracking interest on portfolio investments, and realized gains on portfolio investments, until 2010. The 2009 and 2010 balances included within interest and penalties.

SIGNIFICANT TRENDS (cont'd)



SIGNIFICANT TRENDS (cont'd)

Taxation revenue generally increases with growth and tax rate increases.

Taxation revenues result from municipal and library taxes levied on all properties in the City and business improvement levies assessed by the Business Improvement Districts on properties in the districts.

Property taxes are calculated by applying a mill rate and mill rate factor to each property assessment. The mill rate and mill rate factor together are known as the tax rate.

Taxable assessment x Mill rate x Mill rate factor = Property tax

Taxable Property Assessment
(in thousands of dollars)

Year	Total
2013	18,611,010
2012	9,636,508
2011	9,470,294
2010	9,263,912
2009	9,082,727

SIGNIFICANT TRENDS (cont'd)

Mill Rates					Business Improvement Levies	
Year	**Municipal**	**Schools**	**Library**	**Total**	**Regina Downtown**	**Regina's Warehouse Business Improvement District**
2013	8.4404		0.8947	9.3351	0.7388	0.7588
2012	15.1059	n/a	1.6221	16.7280	0.8874	0.9785
2011	14.5389	n/a	1.5919	16.1308	0.8533	0.9785
2010*	13.9797		1.5401	15.5198	0.8205	0.9785
2009	13.4420	-	1.4967	14.9387	0.6912	0.8809

* The revenue neutral rates for 2009 were as follows:
Municipal mill rate - 13.4420
Library mill rate - 1.4967
Regina Downtown levy - 0.6912
Regina's Warehouse Business Improvement District levy- 0.8809

For 2010-2012 the rates are inclusive of any approved mill rate or levy increase.

- The Provincial Government announced changes to the way education costs are funded by the province and to the way that education property taxes are calculated beginning in 2009:

- The province now sets province wide mill rates to calculate the education tax for properties.
- The education tax credit program has been discontinued and education tax credits no longer apply.
- The province has changed the level of direct funding for school boards.
- The Province wide mill rates for 2010 are: Agricultural at 7.08, Residential (including Condominiums and Multi-family) at 10.08, Commercial & Industrial (tiered rates) – Assessment up to $499,999 at 12.25, Assessment of $500,000 to $5,999,999 at 15.75 and Assessment of over $6,000,000 at 18.55.

** 2013 was a reassessment year and the mill rates and business improvement levies were restated to revenue neutral rates.

	Municipal Mill Rate Factors				
Property Class/Subclass	**2013**	**2012**	**2011**	**2010**	**2009**
Residential	0.87880	0.90059	0.90059	0.90059	0.89783
Condominiums	0.87880	0.90059	0.90059	0.90059	0.89783
Multi family residential	0.87880	0.90059	0.90059	0.90059	0.93390
Commercial and Industrial	1.32901	1.22945	1.22945	1.22945	1.22945
Golf courses	0.86359	0.92187	0.92187	0.92187	0.92187
Agriculture	1.32901	1.22945	1.22945	1.22945	1.22945

SIGNIFICANT TRENDS (cont'd)

Tax Levies and Collection

	2013	2012	2011	2010	2009
Municipal tax levy	170,239	158,121	149,201	139,614	133,919
School boards tax levy	115,717	115,480	112,162	114,690	113,548
Library tax levy	17,818	16,722	16,023	15,132	14,610
Total tax levy	303,774	290,323	277,386	269,436	262,077
Tax levy per capita - Municipal*	734	699	689	648	638
Tax levy per capita - School boards*	499	511	517	533	541
Tax levy per capita - Library*	77	74	74	70	70
Total tax levy per capita* ($)	1,310	1,284	1,280	1,251	1,249
Tax levy per household - Municipal**	1,986	1,859	1,755	1,642	1,576
Tax levy per household - School boards**	1,350	1,359	1,320	1,349	1,336
Tax levy per household - Library**	208	197	189	178	172
Total tax levy per household** ($)	3,544	3,415	3,264	3,169	3,084
Tax arrears, end of year (prior to allowance for doubtful accounts)	4,740	4,740	5,004	5,258	5,471
Arrears as a % of total tax levy	1.56%	1.63%	1.80%	1.95%	2.09%

* Population figure is for the Regina Census Metropolitan Area as obtained from Statistics Canada, Annual Demographic Estimates, Sub-provincial Areas, February 2013.

** Household figure from Stats Canada 2011 census (85,730) is for the Census Metropolitan Area. The 2009 to 2011 figures were based off the 2006 census (84,998).
*** Next census will be in 2016.

December 31, 2013

SIGNIFICANT TRENDS (cont'd)

Major Property Taxpayers in Regina in 2013

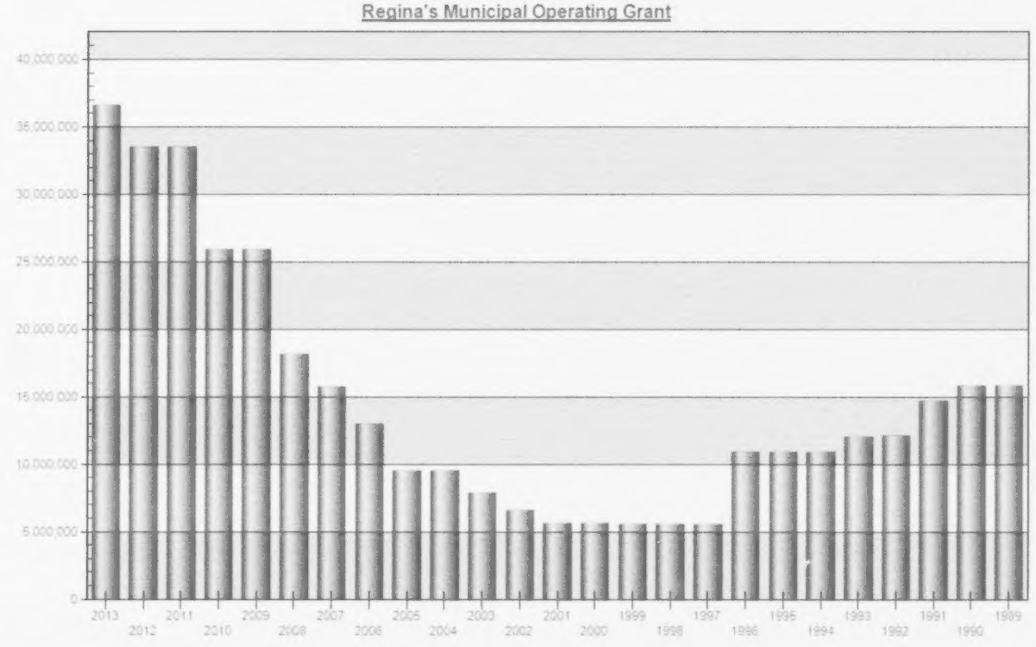
	Registered Owner	**Total Taxable Assessment**	**% of Total Taxable Assessment**
1.	Consumers' Co-operative Refineries Limited	240,251	1.29%
2.	Her Majesty The Queen (Canada)	177,201	0.95%
3.	Saskatchewan Property Management Corporation	156,064	0.84%
4.	Cornwall Centre Inc.	118,839	0.64%
5.	HDL Investments Inc.	111,369	0.60%
6.	Saskatchewan Telecommunications	107,814	0.58%
7.	Harvard Developments Inc.	116,431	0.63%
8.	Gordon Road Property Holdings Inc.	94,341	0.51%
9.	Boardwalk REIT Properties Holdings Ltd.	164,864	0.89%
10.	Her Majesty The Queen (Saskatchewan)	90,453	0.49%
11.	Saskatchewan Housing Corporation	141,287	0.76%
12.	Saskatchewan Government Insurance	60,584	0.33%
13.	Westdale Construction Co.Ltd.	55,636	0.30%
14.	First Willow Developments Ltd.	55,327	0.30%
15.	Regina Airport Authority	58,709	0.32%
	Total	1,749,170	9.43%
	Total 2013 taxable assessment	18,611,010	-

The list of major taxpayers does not include properties where grant or payments in lieu of property tax are paid.

Fees and charges revenue has generally increased due to rate increases, with some increase over the past few years due to higher building activity. The largest portion of the increase is attributable to increased water and sewer utility rates required to fund infrastructure improvement to meet water and sewer treatment quality standards.

Government transfers includes both operating and capital transfers and reflects the variability in various Federal and Provincial capital grant programs. The Provincial municipal operating grant (previously known as revenue sharing grant) is the largest single grant program available to the City of Regina. The following graph shows the Provincial municipal operating grants received by Regina since 1989.

SIGNIFICANT TRENDS (cont'd)


Regina's Municipal Operating Grant

Electrical and gas distribution revenues reflect a trend of increasing rates for electricity and volatile rates for natural gas. Electrical consumption has been relative steady over the past ten years. Natural gas consumption increased by 4.7% in 2008, increased by 10.8% in 2009, decreased by 10.1% in 2010, increased by 1.1% in 2011,decreased by 6.5% in 2012 and increased by 9.2% in 2013.

Contribution of tangible capital assets reflect a trend of increased development in the City.

Taxation revenue increased by $13.2 million in 2013 mainly due to an increased mill rate of 4.45% in 2013.

Service agreement fees for 2013 were $ 10.7 million more than 2012. When a servicing agreement is entered into between the City and a developer, the fees collected are inflows of cash or accounts receivable to the City. However, under revenue recognition principles, the revenue is not recorded/recognized until it is allocated to eligible projects. Servicing agreement fees collected in a given year per agreements entered into are recorded as revenue or deferred revenue based on these principles. For 2013, there was a significant increase in roads and parks service agreement fees because more SAF funds were allocated and spent in eligible projects.

Land sales revenue for 2013 increased by $15.0 million compared to budgetas a result of the 43 parcels of land that the City developed and placed on the market. This was the first time in several years that the City of Regina had industrial land available for sale.

SIGNIFICANT TRENDS (cont'd)

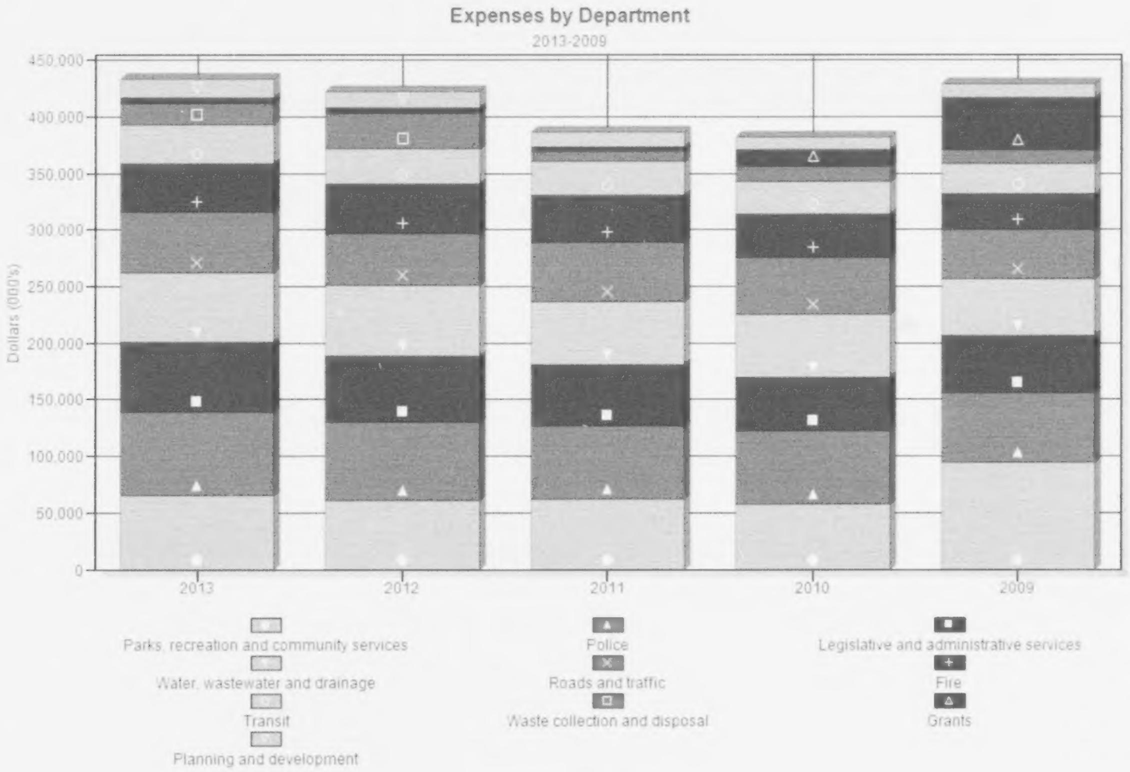
Other revenue for 2013 were $6.9 million higher than budget. The City of Regina received $2.8 million in 2013 due to the new recycling program and $4.8 million in environmental claims revenue due to a new revenue program implemented in May 2013.

December 31, 2013

SIGNIFICANT TRENDS (cont'd)

Expense Summary

	2013	2012	2011	2010	2009
Parks, recreation and community services	65,937	61,422	61,593	57,843	94,582
Police	73,308	69,156	65,229	64,856	61,261
Legislative and administrative services	61,171	57,510	54,055	46,244	50,193
Water, wastewater and drainage	61,435	63,392	56,153	56,409	50,510
Roads and traffic	53,828	45,783	52,397	50,550	43,814
Fire	42,795	43,575	40,950	38,283	31,736
Transit	34,317	31,049	30,494	28,085	26,400
Waste collection and disposal	19,712	30,977	8,490	13,467	12,695
Grants	4,459	4,575	3,968	14,932	45,168
Planning and development	16,517	14,167	13,166	11,378	12,039
Total	433,479	421,606	386,495	382,047	428,398



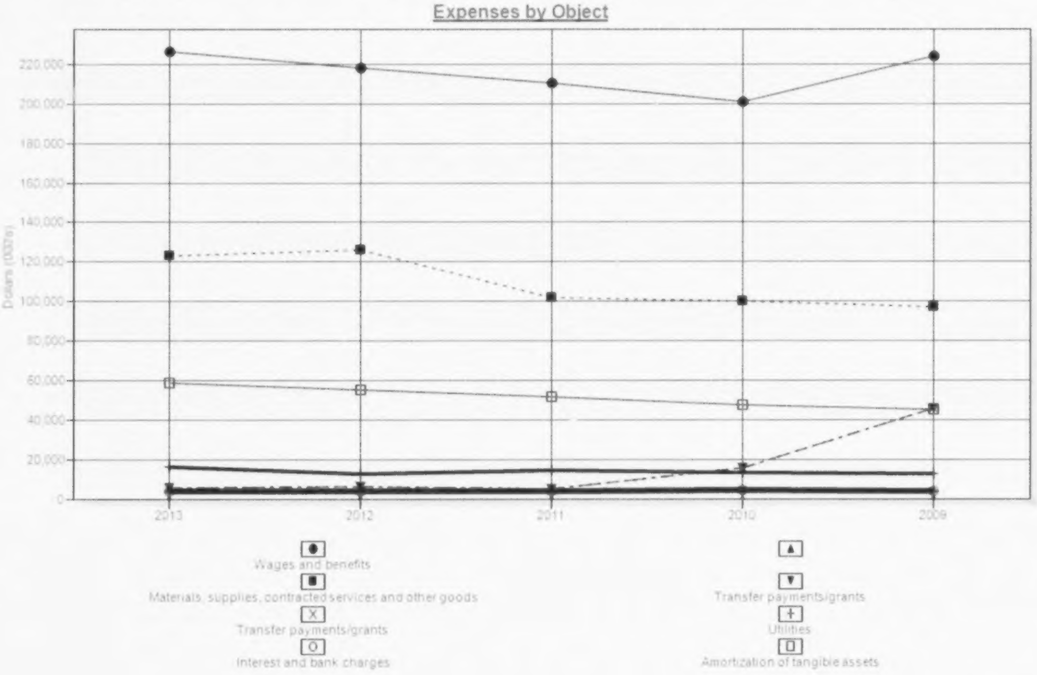
December 31, 2013

SIGNIFICANT TRENDS (cont'd)

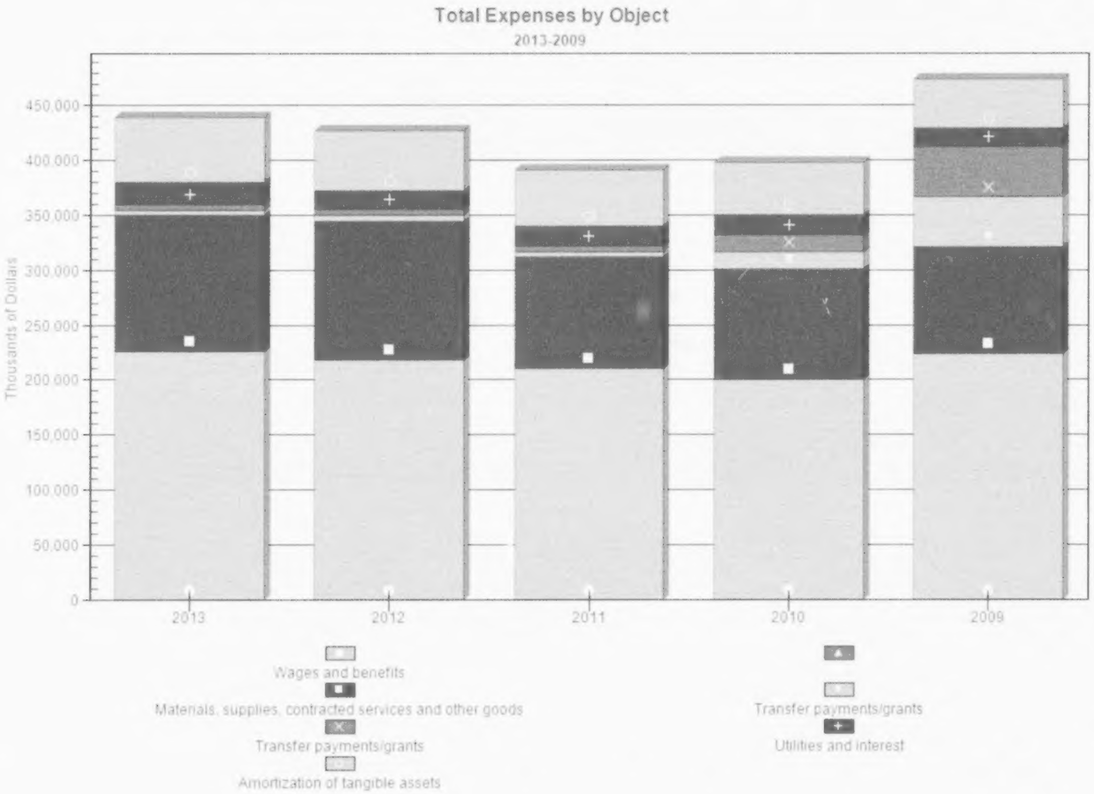
Expense by Object

	2013	2012	2011	2010	2009
Wages and benefits	226,631	218,347	210,247	200,941	223,904
Materials, supplies, contracted services and other goods	122,932	125,930	101,619	99,973	97,075
Transfer payments/grants	5,485	5,942	4,969	15,839	45,873
Utilities	16,110	12,557	14,255	13,163	12,685
Interest and bank charges	3,567	3,547	4,010	4,330	3,662
Amortization of tangible assets	58,754	55,283	51,395	47,801	45,199
Total	433,479	421,606	386,495	382,047	428,398

The following graph displays the proportion of total expenses by object:



SIGNIFICANT TRENDS (cont'd)



Wages and benefits have generally increased over the past five years due to wage increases and an increase in employees. The number of people employed by the City in the last five years including casual staff is as follows:

2013 - 3,604
2012 - 3,579
2011 - 3,500
2010 - 3,390
2009 - 3,358

The provincial government and its Crown Corporations are the City's largest employer. Crown Corporations include:

- SGI - Saskatchewan Government Insurance

SIGNIFICANT TRENDS (cont'd)

- SaskTel
- SaskPower
- SaskEnergy
- STC - transportation (bus) services
- ISC - formerly land titles
- SaskGaming - Casino Regina

There are over 4,700 private-sector businesses in Regina, providing financial services, manufacturing and processing, telecommunications, retail and wholesale services, and agricultural support, to a trading area with over 500,000 people. Regina's major private-sector employers are:

- Evraz (western Canada's largest steel manufacturer)
- Co-op heavy Oil Upgraders
- Kalium Chemicals (potash mining)
- AgrEvo Inc. (agricultural chemicals)
- Degelman Industries (agricultural implement manufacturing)
- Brandt Industries (industrial equipment manufacturing)
- Sweeprite Manufacturing (street sweepers)
- Viterra (world's largest grain-handling cooperative)
- Canada Life Insurance (relocated from Toronto in 1993)
- Sears Canada (Western Canada Call Centre)

SIGNIFICANT TRENDS (cont'd)

Statement of Financial Position

	2013	2012	2011	2010	2009
Financial assets					
Cash	30,455	30,234	38,066	26,385	15,456
Short-term investments	374	670	12,608	5,604	32,324
Accounts receivable	70,608	61,278	51,829	52,720	36,786
Taxes receivable	4,527	2,854	2,871	3,284	3,771
Long-term investments	274,238	249,288	192,811	195,145	216,755
	380,202	344,324	298,185	283,138	305,092
Financial liabilities					
Accounts payable and accrued liabilities	45,004	50,030	46,501	53,571	55,233
Taxes payable to school boards	5,442	5,919	5,053	4,894	5,026
Deferred revenue	35,452	28,928	17,853	16,424	44,313
Capital lease obligations	1,241	1,323	1,395	1,742	1,639
Long-term debt	77,200	81,550	89,900	98,250	106,600
Employee benefit obligations	52,743	52,009	51,110	48,926	43,683
Landfill closure and post-closure	47,337	44,160	27,186	31,658	29,732
	264,419	263,919	238,998	255,465	286,226
Net financial assets (liabilities)	115,783	80,405	59,187	27,673	18,866
Non-financial assets					
Tangible capital assets	1,324,081	1,207,572	1,121,240	1,044,820	962,886
Property held for resale	349	42	73	276	396
Materials and supplies	6,764	5,807	6,287	5,241	5,018
ACCUMULATED SURPLUS (DEFICIT)	1,446,977	1,293,826	1,186,787	1,078,010	987,166
ANNUAL SURPLUS	153,151	107,039	108,777	90,844	56,144

Investments

Fluctuations in short and long-term investments reflect the timing of debt issues (the last debt issued was $84.6 million in 2009), Provincial and Federal government transfers, the timing of expenditures of the funding allocated to various capital projects, and management of investments to maximize interest revenue.

Accounts Receivable

Increase in accounts receivable is due to a significant increase of the prepaid expenses due to the agreement with the RM of Sherwood regarding land annexation. Per the agreement, the City of Regina

SIGNIFICANT TRENDS (cont'd)

paid over $6.0 million dollars in 2013 which was due on January 1, 2014.

Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities decreased by $5.0 million in 2013 due to cheque runs being done on the last working day of 2013 to clear as many payables as possible, prior to the first two weeks of January when electronic cheque runs were temporarily suspended to facilitate year-end processing and reconciliations.

Deferred Revenue

Deferred Revenues increased by $6.5 million which is primarily due to the significant increase of Transit Advertising Expense (2013-2017), Business Licenses and Dedicated Land deferred revenue in 2013.

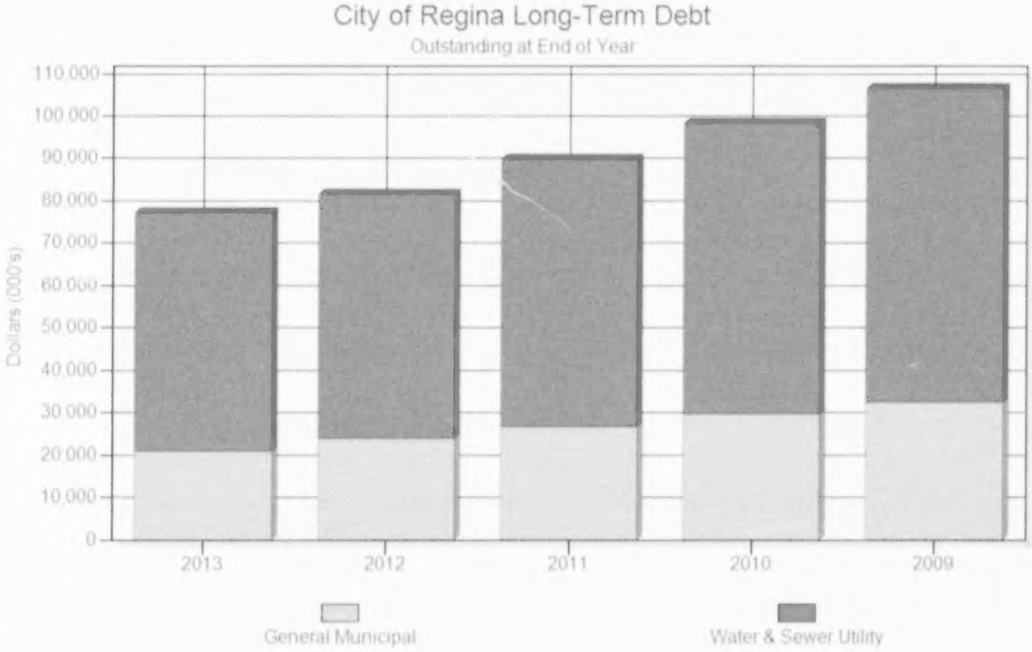
City of Regina Long-Term Debt (Non-Consolidated)

	2013	2012	2011	2010	2009
Total debt outstanding, beginning of year	81,550	89,900	106,600	28,000	28,000
Debt issued during year	-	-	-	-	84,600
Debt repayments during year	(4,350)	(8,350)	(8,350)	(8,350)	(6,000)
Total debt outstanding, December 31	77,200	81,550	89,900	98,250	106,600
General municipal debt outstanding, end of year	21,124	23,968	26,812	29,656	32,500
Water & Sewer Utility debt outstanding, end of year	56,076	57,582	63,088	68,594	74,100
Total debt outstanding	77,200	81,550	89,900	98,250	106,600
Authorized debt limit, December 31	450,000	350,000	200,000	200,000	200,000
Debt per capita ($)*	333	361	414	457	508
Debt per household ($)**	901	951	1,058	1,156	1,254
Debt per community assessed value	0.41%	0.85%	0.95%	1.06%	1.17%
Debt as a multiple of revenue	13.2%	15.4%	18.2%	21.4%	22.0%

* Population figure is for the Regina Census Metropolitan Area as obtained from Statistics Canada, Annual Demographic Estimates, Sub-provincial Areas, February 2013.

** Household figure from Stats Canada 2011 census (85,730) is for the Census Metropolitan Area. The 2009 to 2011 figures were based off the 2006 census (84,998).

SIGNIFICANT TRENDS (cont'd)



SIGNIFICANT TRENDS (cont'd)

In 2013, Standard & Poor's affirmed its 'AA+' credit rating for the City based on the City's ongoing commitment to sound fiscal management, healthy operating and after-capital expenditure surpluses, low debt and net creditor position, and good economic performance. The City has received an AA+ rating since its first credit rating in 1989. Strengths are sustained healthy economic performance, strong operations and after-capital expenditure budgetary surpluses, very moderate debt levels, and excellent liquidity. Weaknesses are significant unfunded multi employer pension plan liabilities and, like many Canadian Cities, considerable capital asset replacement, rehabilitation and maintenance needs.

The City's tax-supported debt was $21.1 million at the end of 2013, while debt incurred to fund the Water and Sewer Utility was $56.1 million. The City did not issue new debt in 2013 but it is expected that borrowing in the range of over $300.0 million will be required over the period 2013-2016 due to the Regina Revitalization Initiative and the Waste Water Treatment Plant.

The City's authorized debt limit is $450.0 million (2012 - $350.0 million). The debt limit is approved by the Saskatchewan Municipal Board pursuant to the provisions of *The Cities Act*. When service agreement fee credits are included, the City is $372.6 million below its debt limit.

City of Regina Debt Service Costs

	2013	**2012**	**2011**	**2010**	**2009**
General municipal debt					
Principal	2,844	2,844	2,844	2,844	1,400
Interest	1,127	1,164	1,260	1,334	881
	3,971	4,008	4,104	4,178	2,281
Water and Sewer Utility					
Principal	1,506	5,506	5,506	5,506	4,600
Interest	2,256	2,383	2,649	2,868	2,043
	3,762	7,889	8,155	8,374	6,643
Total	7,733	11,897	12,259	12,552	8,924
Debt service costs as a % of total expenses	1.8%	2.8%	3.2%	3.4%	2.1%

SIGNIFICANT TRENDS (cont'd)

Employee Benefit Obligations

Employee benefit obligations include liabilities for pensions, sick and severance, vacation, and overtime. The increase in employee benefit obligations from 2009 to 2013 primarily reflects the impact of general wage increases and employees reaching the age of retirement. As a larger proportion of the City's work force reaches retirement age over the next five to ten years, the cash outlays relating to this obligation will continue to be significant.

Employee benefit obligations also include the liability for the Regina Police Pension. The Regina Civic Superannuation and Benefits Plan includes a larger group of employees, but since it is a multi-employer plan, it is not possible to determine the City's portion of the deficit and thus no amount is included in the statement of financial position for this plan. As disclosed in note 8 d) of the consolidated financial statements, an actuarial extrapolation completed of the plan for accounting purposes indicates a deficit of plan assets over the benefit obligation of $117.9 million at December 31, 2013 (2012 - $251.5 million deficit). In October 2010 an actuarial valuation was conducted as at December 31, 2009 showing a going-concern deficit of plan assets over the benefit obligation of $237.8 million.

	2013	**2012**	**2011**	**2010**	**2009**
City of Regina employer contributions	13,285	13,279	13,003	12,245	11,954

Tangible Capital Assets

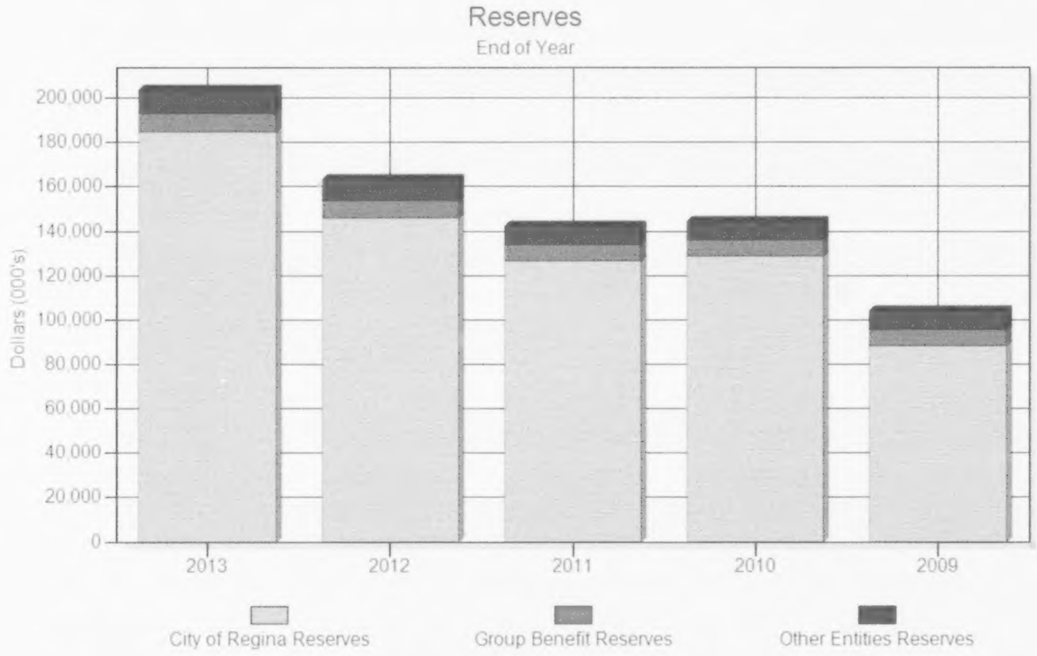
The City implemented an accounting change in 2008 resulting in tangible capital assets being shown on the Statement of Financial Position. This change was required to comply with public sector accounting standards. Tangible capital assets are capitalized on the Statement of Financial Position at cost and amortized over their estimated useful lives on the Statement of Operations. In 2007 and prior years, tangible capital asset additions were expensed in the year of acquisition or construction. The City's tangible capital assets include land, buildings, vehicles and equipment, roads and bridges, and underground and other networks.

	2013	**2012**	**2011**	**2010**	**2009**
Tangible Capital Assets - Net Book Value	1,324,081	1,207,572	1,124,240	1,044,820	962,886

SIGNIFICANT TRENDS (cont'd)

Reserves and Accumulated Surplus

	2013	2012	2011	2010	2009
Reserves					
City of Regina Reserves	185,150	146,321	126,623	128,749	88,123
Group Benefits Reserves	8,041	7,801	7,621	7,559	7,342
Other Entities Reserves	10,617	9,127	8,033	8,166	8,636
	203,808	163,249	142,277	144,474	104,101



Reserve balances totaled $203.8 million at the end of 2013 (2012 - $163.2 million).

The City allocates funds to reserves to meet specific future operating and capital expense requirements. The largest reserves are the General Utility Reserve and General Fund Reserve, which are intended to provide funding in the event of an operating deficit, as well as for one-time initiatives. The General Fund Reserve decreased by $5.4 million from 2009 to 2013 due to the approved transfers to fund the eligible capital projects and other expenses.

The General Utility Reserve increased $64.7 million from 2009 to 2013 primarily due to Water and Sewer Utility Fund surpluses and return of funds from projects.

The financial statements include a number of liabilities which will be funded from future revenues. These

SIGNIFICANT TRENDS (cont'd)

amounts are reflected in Note 13 to the financial statements as Obligations to be Funded from Future Revenues, and include amounts related to employee benefit obligations, long-term debt and landfill closure and post-closure costs.

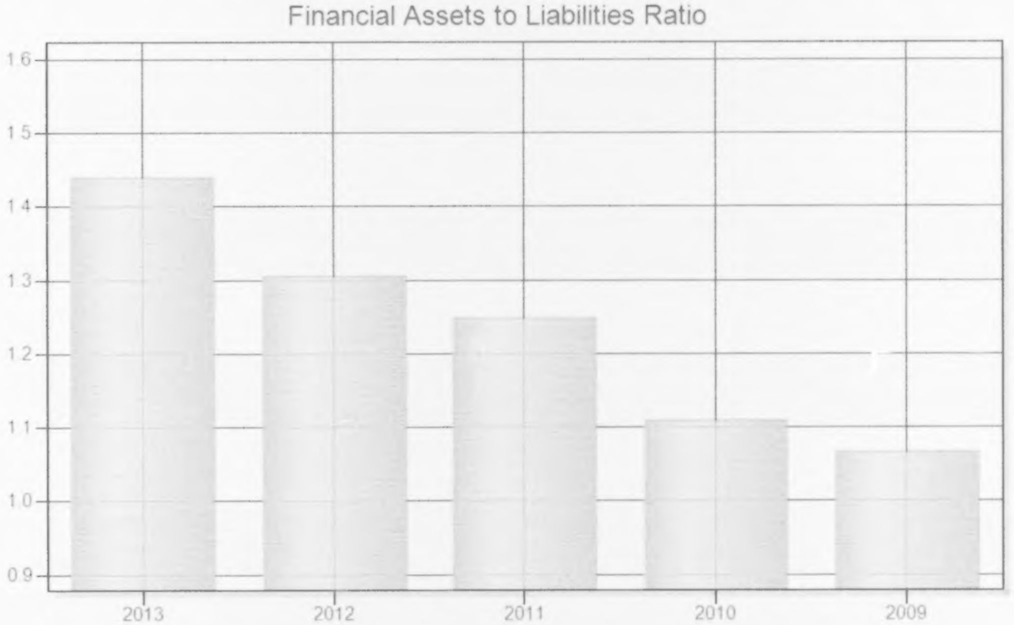
ASSESSMENT OF FINANCIAL CONDITION

Sustainability

Sustainability is the degree to which a government can maintain its existing financial obligations without increasing its debt or tax burden.

One measure of sustainability is financial assets to liabilities. This indicator reports the ratio of a government's financial assets to its liabilities. A result lower than one indicates liabilities exceed financial assets and future revenues will be required to pay for past transactions and events. A result higher than one indicates financial assets exceed liabilities and financial resources are on hand that can finance future operations. A trend showing decreases in this indicator may not be sustainable. An example of an event that could decrease this ratio is continued reliance on debt to finance operations.

The City's financial assets to liabilities ratio has increased from 1.07 to 1.44 from 2009 to 2013. The City's financial assets remain higher than its liabilities at December 31, 2013 and its sustainability has shown improvement in the past five years.

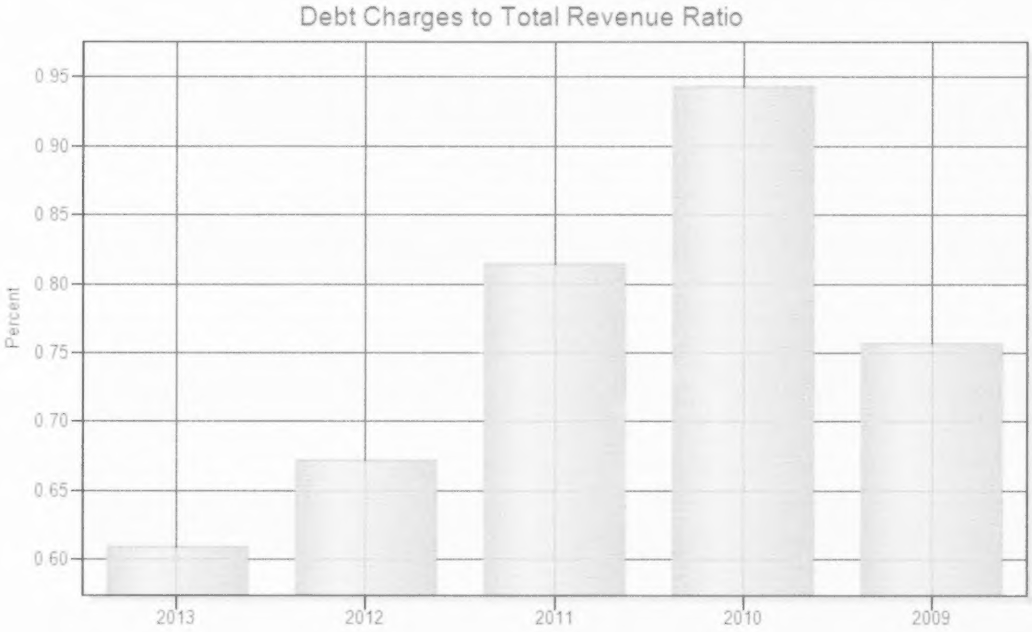


Flexibility

Flexibility is the degree to which a government can change its debt or tax burden and still meet its existing financial obligations.

One measure of flexibility is debt charges to total revenue. This ratio, often referred to as the interest bite, indicates the proportion of total revenue that is required to pay interest charges on debt and therefore, is not available to pay for program costs. It illustrates the extent to which past borrowing decisions present a constraint on a government's ability to meet its financial and service commitments in the current period. Specifically, the more government uses revenues to meet the interest costs on past borrowing, the less will be available for program spending. This indicator is important because, when this indicator increases for an extended period of time and assuming relatively stable interest rates, it means that the government has consistently chosen borrowing over increases in taxation or user fees to meet its financial and service commitments. This will eventually have an effect on its flexibility because once a government borrows, its first commitment must be to service its debt. Failing to do so would impair its future ability to borrow or to roll over its existing debt.

For the City this ratio decreased from 0.67% in 2012 to 0.61% in 2013 and therefore has shown increased flexibility since 2010.



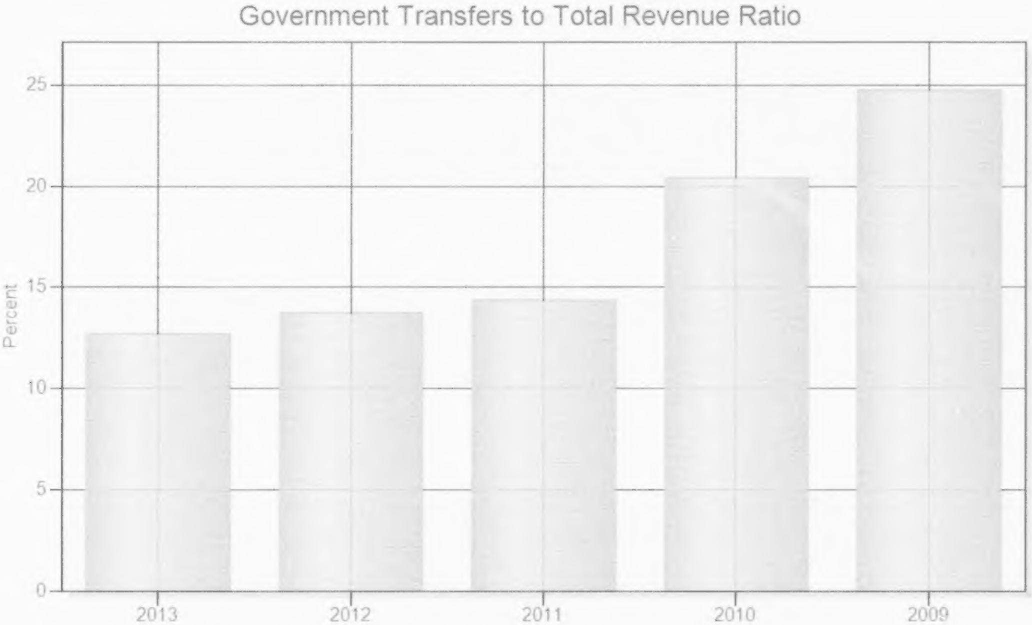
December 31, 2013

Vulnerability

Vulnerability is the degree to which a government is dependent on sources of funding outside of its control or is exposed to risks that could impair its ability to meet its existing financial obligations.

One measure of vulnerability is Federal and Provincial government transfers to total revenues. This indicator offers a perspective on the degree of vulnerability the City faces as a result of its dependence on other levels of government for revenues. An increasing dependence on other levels of government for revenues means that the City is increasingly vulnerable to the fiscal decisions of another. Reduced dependence on government transfers may reduce vulnerability but it could also impair sustainability if a government's own tax base has to replace the revenues lost from a reduction in transfer payments. A government that reduces its dependence on government transfers and correspondingly reduces its spending may avoid impairing its sustainability, but it could produce dissatisfaction among constituents.

The City has decreased its reliance on government transfers from 24.68% of total revenues in 2009 to 12.68% in 2013. This indicates decreasing vulnerability and that the City is more able to fund essential programs and services from own-source revenues.



LOOKING FORWARD

Regina is in an exciting phase of growth. Building permits for 2013 were the highest on record except for the record year of 2012, population growth hit 3% for the second year in a row and employment has increased for eight consecutive years. Regina is receiving wide recognition as an attractive, vibrant, inclusive and thriving city – a great place to work, raise a family or start a business.

The City itself faces challenges with funding the infrastructure needed to support this growth as well as the infrastructure gap. Revenue growth is expected to be higher in the future; however this revenue growth alone is not sufficient to keep pace with the increased operating expenses or capital requirements of a growing city.

The City's 2014 budget demonstrates a continued commitment to the health and prosperity of families with strategic investments in safety, infrastructure, and responsible growth, while maintaining a high level of service. It was built on the principles of the 2014 – 2017 strategic plan, Building the Foundation, and will support the achievement of the Design Regina Plan, The City of Regina's new Official Community Plan and aim to realize City Council's vision for Regina 2020: Canada's most vibrant, inclusive, sustainable community, where people live in harmony and thrive in opportunity.

The City of Regina's approved budget for 2014 is focused on the long-term health of the City. Like other municipalities across the country, Regina is facing enormous infrastructure challenges. The 2014 proposed budget is a step toward facing these challenges. The increase in the 2014 budget also reflects an additional investment in the Regina Revitalization Initiative Stadium Project. To continue to deliver programs and services through this growth period, while making progress on its vision, The City approved a 4.88% increase in the mill rate plus an additional 1% dedicated to Local Road Improvements in 2013.

CONSOLIDATED FINANCIAL STATEMENTS

MANAGEMENT'S REPORT

RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements and all other information contained in this report are the responsibility of management. The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards (PSAS). The preparation of the statements necessarily includes some amounts, which are based on the best estimates and judgments of management. Financial data elsewhere in this report is consistent with that of the financial statements.

To assist in its responsibility, management maintains accounting, budget and other controls to provide reasonable assurance that transactions are appropriately authorized and accurately recorded, that assets are properly accounted for and safeguarded and that the financial records are reliable for the preparation of financial statements.

The Finance and Administration Committee, established by City Council, comprises five elected officials, along with the Mayor as an ex-officio member. The Committee, in addition to considering a variety of financial and administrative issues, reviews the content of the annual financial report for presentation to City Council, and reviews external audit reports.

Deloitte LLP Chartered Accountants, the City's appointed external auditors, have audited the consolidated financial statements. Their report to the Mayor and City Council, stating the scope of their examination and opinion on the consolidated financial statements, follows.

GDavies

Glen Davies	Ed Archer
City Manager & Chief Administrative Officer	Chief Financial Officer
May 26, 2014	

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Deloitte.

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INDEPENDENT AUDITOR'S REPORT

To His Worship the Mayor and Members of City Council

We have audited the accompanying consolidated financial statements of the City of Regina and its subsidiaries, which comprise the consolidated statement of financial position as at December 31, 2013, and the consolidated statements of operations, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the City of Regina and its subsidiaries as at December 31, 2013, and the results of its operations, change in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Deloitte LLP

Chartered Accountants

May 26, 2014
Regina, Saskatchewan

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

December 31, 2013

(in thousands of dollars)

	2013	2012
FINANCIAL ASSETS		
Cash	**30,455**	30,234
Short-term investments (Note 4)	**374**	670
Accounts receivable	**70,608**	61,278
Taxes receivable	**4,527**	2,854
Long-term investments (Note 5)	**274,238**	249,288
	380,202	344,324
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities (Note 3)	**45,004**	50,030
Taxes payable to school boards	**5,442**	5,919
Deferred revenue (Note 18)	**35,452**	28,928
Capital lease obligations (Note 6)	**1,241**	1,323
Long-term debt (Note 7)	**77,200**	81,550
Employee benefit obligations (Note 8)	**52,743**	52,009
Landfill closure and post-closure (Note 10)	**47,337**	44,160
	264,419	263,919
NET FINANCIAL ASSETS	**115,783**	80,405
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 9)	**1,324,081**	1,207,572
Materials and supplies	**6,764**	5,807
Property held for resale (Note 12)	**349**	42
ACCUMULATED SURPLUS (Note 13)	**1,446,977**	1,293,826

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF OPERATIONS

For the Year Ended December 31, 2013

(in thousands of dollars)

	Budget 2013	**Actual 2013**	Actual 2012
REVENUE			
Taxation (Note 15)	188,449	**188,057**	174,843
Fees and charges	160,255	**158,478**	148,209
Government transfers (Note 16)	73,773	**74,335**	72,452
Electrical distribution	29,636	**32,843**	30,075
Licenses, fines and levies	12,495	**11,814**	11,421
Gas distribution	6,700	**6,739**	5,620
Interest and penalties	1,525	**1,406**	1,261
Interest on portfolio investments	7,713	**9,665**	8,580
Realized gains on portfolio investments	-	**(1)**	3,006
Service agreement fees	19,718	**25,374**	14,696
Land sales	3,103	**18,128**	2,667
Other	5,943	**12,812**	4,062
Contribution of tangible capital assets	-	**46,980**	51,753
	509,310	**586,630**	528,645
EXPENSES			
Parks, recreation and community services	67,246	**65,937**	61,422
Police	70,400	**73,308**	69,156
Legislative and administrative services	66,114	**61,171**	57,510
Water, wastewater and drainage	66,973	**61,435**	63,392
Roads and traffic	58,080	**53,828**	45,783
Fire	45,939	**42,795**	43,575
Transit	32,457	**34,317**	31,049
Waste collection and disposal	18,098	**19,712**	30,977
Grants	8,151	**4,459**	4,575
Planning and development	16,005	**16,517**	14,167
	449,463	**433,479**	421,606
Annual surplus	59,847	**153,151**	107,039
ACCUMULATED SURPLUS, BEGINNING OF YEAR	1,293,826	**1,293,826**	1,186,787
ACCUMULATED SURPLUS, END OF YEAR	1,353,673	**1,446,977**	1,293,826

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

For the Year Ended December 31, 2013

(in thousands of dollars)

	Budget 2013	**Actual** **2013**	Actual 2012
Annual surplus	59,847	**153,151**	107,039
Acquisition of tangible capital assets	(138,056)	**(178,499)**	(145,537)
Amortization of tangible capital assets	58,793	**58,754**	55,283
Proceeds on disposal of tangible capital assets	-	**622**	631
Loss on disposal of tangible capital assets	-	**2,614**	3,291
Deficit of capital expenses over expenditures	(79,263)	**(116,509)**	(86,332)
Net change in materials and supplies	-	**(957)**	480
Change in property held for sale	-	**(307)**	31
Deficit of other non-financial expenses over expenditures	-	**(1,264)**	511
Increase (decrease) in net financial assets	(19,416)	**35,378**	21,218
NET FINANCIAL ASSETS, BEGINNING OF YEAR	80,405	**80,405**	59,187
NET FINANCIAL ASSETS, END OF YEAR	60,989	**115,783**	80,405

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2013

(in thousands of dollars)

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES:		
Annual surplus	**153,151**	107,039
Non-cash items		
Amortization of tangible capital assets	**58,754**	55,283
Loss on disposal of tangible capital assets	**2,614**	3,291
Contribution of tangible capital assets	**(46,980)**	(51,753)
Net change in non-cash working capital balances		
Increase in accounts receivable	**(9,330)**	(9,449)
(Increase) decrease in taxes receivable	**(1,673)**	17
(Decrease) increase in accounts payable and accrued liabilities	**(5,026)**	3,529
(Decrease) increase in taxes payable to school boards	**(477)**	866
Increase in deferred revenue	**6,524**	11,075
(Decrease) in capital lease obligations	**(82)**	(72)
Increase in employee benefit obligations	**734**	899
Increase in landfill closure and post-closure liabilty	**3,177**	16,974
(Increase) decrease in property held for resale	**(307)**	31
(Increase) decrease in materials and supplies	**(957)**	480
	160,122	138,210
CASH FLOWS FROM CAPITAL ACTIVITIES:		
Acquisition of tangible capital assets	**(131,519)**	(93,784)
Proceeds on disposal of tangible capital assets	**622**	631
	(130,897)	(93,153)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Sales of short-term investments	**296**	11,938
Purchases of long-term investments	**(24,950)**	(56,477)
	(24,654)	(44,539)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Long-term debt retired	**(4,350)**	(8,350)
	(4,350)	(8,350)
(INCREASE) DECREASE IN CASH POSITION	**221**	(7,832)
CASH POSITION, BEGINNING OF YEAR	**30,234**	38,066
CASH POSITION, END OF YEAR	**30,455**	30,234

See accompanying notes to consolidated financial statements.

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the City of Regina (the City) are prepared by management in accordance with Canadian public sector accounting standards (PSAS) as recommended by the Chartered Professional Accountants of Canada (CPA Canada). Significant aspects of the accounting policies adopted by the City are as follows:

a. Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenues, expenses, changes in accumulated surplus, changes in net financial assets and cash flows of the reporting entity. The reporting entity is comprised of all organizations and enterprises which are controlled by the City, namely:

- General operating and capital funds
- Water and sewer utility operating and capital funds
- Regina Public Library (RPL)
- Regina Regional Opportunities Commission (RROC)
- Regina Downtown Business Improvement District (RDBID)
- Regina's Warehouse Business Improvement District (RWBID)

Inter departmental and inter organizational transactions and balances have been eliminated.

The City has a 73.95% (2012 - 73.85%) interest in the Buffalo Pound Water Administration Board (BPWAB), a government partnership, that is proportionately consolidated.

The Regina Public Library has a 21.86% (2012 - 21.95%) interest in the Saskatchewan Information and Library Services Consortium Inc. (SILS), which has been proportionaely consolidated.

b. Revenue recognition

Revenues are recorded using the accrual basis of accounting whereby revenues are recognized as they are earned and measurable. Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified. Expenses are accounted for in the period the goods and services are acquired and a liability is incurred or transfers are due.

Property tax revenue is based on assessments determined in accordance with provincial legislation and the formulas, principles and rules in the Saskatchewan Assessment Manual. Tax mill rates are established annually. Taxation revenues are recorded net of a provision for potential losses on outstanding assessment appeals and uncollected taxes. By their nature, these provisions are subject to measurement uncertainty and the impact on the financial statements of future periods could be material (Note 15). Penalties on overdue taxes are recorded in the period levied.

1. Significant Accounting Policies (continued)

b. Revenue recognition (continued)

Electrical distribution revenues consist of the municipal surcharge and payments in lieu of taxes received from SaskPower. The municipal surcharge revenue and payments in lieu of taxes are equal to 10% and 5%, respectively of the value of the supply of electrical energy provided by SaskPower to customers within the City limits.

Gas distribution revenues mainly consist of the payments in lieu of taxes received from SaskEnergy and TransGas. The payment in lieu of taxes received from SaskEnergy is equal to 5% of the fees levied by SaskEnergy to customers within the City limits. The payment in lieu of taxes received from TransGas is equal to 5% of the transportation fees and the deemed value of the gas transmitted by TransGas to consumers within the City limits. Pursuant to an agreement with the City for two major consumers who are served by TransGas, the 5% payments to the City in lieu of taxes are based on the transportation costs and the deemed value of the fuel stock consumed.

Government transfers are recognized in the financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, eligibility criteria have been met, and reasonable estimates of the amounts can be made.

c. Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and use assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. Significant estimates include employee benefit obligations, landfill liability, provision on tax losses, and the amortization of tangible capital assets.

d. Investments

All investments are recorded at cost less write downs to reflect other than temporary declines in value. Investment transactions are accounted for at the trade date. Interest income is recorded on the accrual basis.

e. Materials and supplies

Inventories of materials and supplies are valued at the lower of net realizable value and average cost.

f. Taxes collected for others

The City collects taxes for the Regina Separate School Board and the Regina Public School Board. These taxes, which are not included in the City's financial results, are remitted to the respective Boards less an amount to offset cancellations relating to school taxes and the City's cost in carrying the receivables.

1. Significant Accounting Policies (continued)

g. Deferred revenue

The City receives service agreement fees, payments in lieu of parking and payments in lieu of dedication of land for public reserve under the authority of provincial legislation and City bylaws. The City also receives special taxes levied pursuant to Section 275 of *The Cities Act* which are to be expended on alley maintenance. As well, the City receives various government grants for special programs offered by either the Provincial or Federal governments. These funds are restricted as to their use and are not recognized as revenue until the fiscal period in which they are used to make qualifying expenses.

Deferred revenue also includes monies received in advance for taxes, transit passes, servicing and sub-division revenue, prepaid cemetery revenue and pre-season sales from the various recreational facilities.

h. Employee benefit plans

The City participates in contributory defined benefit or defined contribution pension plans for virtually all of its employees. Under the defined contribution plan, the City's obligations are limited to its contributions. These contributions are expensed in the period in which they are due and payable.

For defined benefit pension plans considered to be single-employer plans, the cost of pension benefits is actuarially determined using the projected benefit method prorated on service and the pension plan administrator's best estimate of expected salary and benefit escalation and retirement ages of employees. Market rates are used to measure the accrued benefit obligation as well as the assets of the pension plans. Actuarial gains and losses on pension obligations and/or pension fund assets are amortized over the average remaining service life of the related employee groups.

For defined benefit plans considered to be multi-employer plans, contributions are expensed when they are due and payable.

The City has various post-employment benefits and termination benefit obligations earned by employees and expected to be provided to them when they are no longer providing active service.

The obligations for vested sick leave, service or retirement allowances and other post employment benefits have been determined on an actuarial basis. The obligations for vacation pay and banked time in lieu of overtime have been accounted for at an undiscounted value at the current rate of pay.

i. Tangible capital assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

General	
Land improvements	10 to 100 years
Buildings and building improvements	15 to 75 years
Vehicles and equipment	

1. Significant Accounting Policies (continued)

i. Tangible capital assets (continued)

Fire trucks and buses	15 to 30 years
Police vehicles	4 to 10 years
Other vehicles	2 to 25 years
Equipment	4 to 50 years
Office and information technology	
Hardware	2 to 15 years
Software	2 to 10 years
Other	10 years
Infrastructure	
Plants and facilities	5 to 75 years
Roads	1 to 40 years
Underground networks	5 to 100 years
Bridges and other structures	15 to 70 years

Assets under construction are not amortized until the asset is available for productive use.

Interest on debt used to purchase tangible capital assets is not capitalized.

Tangible capital assets received as contributions, which are primarily roads and underground networks, are recorded at their fair value at the date of receipt and also are recorded as revenue. Fair value is determined based on an estimate of the cost to construct the contributed asset.

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases and recorded as tangible capital assets. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

Works of art and historical treasures are not recognized in these financial statements.

j. Budget information

Budget information is presented on a basis consistent with that used for actual results, the budget was approved by Council on February 19, 2013.

2. NEW STANDARDS AND AMENDMENTS TO STANDARDS

2. New standards and amendments to standards (continued)

The following new standards and amendments to standards, effective for annual periods on or after April 1, 2012, have been analyzed in preparing these financial statements:

PS 3410, Government Transfers

PS 3510, Tax Revenue

The prospective adoption of these standards had no material impact on the financial statements. The Statement of Remeasurement Gains and Losses has been omitted as there were no relevant transactions to report.

A number of new standards and amendments to standards which may impact the City are not yet effective for the year ended December 31, 2013, and have not been applied in preparing these consolidated financial statements. In particular, the following new standards and amendments to standards are effective for financial statements on or after April 1, 2016:

PS 1201, Financial statement presentation

PS 2601, Financial Currency Translation

PS 3041, Portfolio Investments

PS 3450, Financial Instruments

The extent of the impact on adoption of these standards is not known at this time.

3. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Included in accounts payable and accrued liabilities is $186 (2012 - $186) related to amounts owed to developers for infrastructure expenditures made on behalf of the City in 2013. The City issued service agreement fee (SAF) credits to the developers in 2013 for these expenditures. The developers can redeem the SAF credits to offset payment for future service agreement fees. If there are SAF credits owing to developers after 10 years the City will repay the value of the remaining SAF credits to the developers. The City can also choose to repay prior to 10 years. Under the SAF credit agreements the total amount of credits that can be issued to developers is $39,900 (2012 - $39,900).

4. SHORT TERM INVESTMENTS

Short term investments are recorded at cost and have a fair value approximating cost. The investments are in a money market fund, holdings of which may include a combination of treasury bills, commercial paper, bankers' acceptances or promissory notes. The average yield earned from investments was 1.09% (2012 - 1.64%).

5. LONG-TERM INVESTMENTS

Long-term investments include investments in a pooled bond fund.

	Carrying Value		Fair Value	
	2013	2012	**2013**	2012
Pooled bond fund	**274,238**	249,288	**266,969**	254,554

A pooled bond fund is a group of individual bonds managed by an investment manager. The fair value of the pooled bond fund units is based on the market price per unit which is determined by the overall market values of each of the bonds in the fund.

6. CAPITAL LEASE OBLIGATIONS

The following is a schedule of future minimum lease payments under capital leases for computer equipment, software and building contracts along with the balance of the capital lease obligation:

2014	**658**
2015	**343**
2016	**216**
2017	**69**
Total minimum lease payments	**1,286**
Less amount representing interest (2.0% - 9.25%)	**(45)**
	1,241

7. LONG-TERM DEBT

Debenture debt

The City's long-term debt consists of $34,100 (2012 - $38,450) of unsecured debentures issued in the form of fully registered certificates held by The Canadian Depository for Securities Ltd. (CDS), on behalf of beneficial owners as direct and indirect participants of CDS. The debentures were issued for 10 year terms with principal payable either annually or semi-annually and interest payable semi-annually.

The City also has $43,100 (2012 - $43,100) of long term debt in the form of an unsecured debenture issued in the form of a fully registered certificate held by The Municipal Financing Corporation of Saskatchewan. Interest is payable semi-annually and the entire principal is due in 2014.

7. Long-term debt (continued)

Bank indebtedness

Pursuant to *The Regina Administration Bylaw 2003-69*, the City can incur bank indebtedness. Interest on this indebtedness is calculated at the prime rate of interest less 0.5%, payable monthly and the City has pledged certain revenues as security for the debt obligation. At December 31, 2013, the City had no bank indebtedness (2012 - $nil).

	2013	2012
City of Regina unsecured debentures		
Operating fund	**21,124**	23,968
Utility fund	**56,076**	57,582
Total debt	**77,200**	81,550
Authorized debt limit	**450,000**	350,000
Interest rates	**3.0-5.20%**	3.0-5.20%
Interest costs for year	**3,143**	3,547

The long-term debt is repayable as follows:

2014	**47,450**
2015	**2,350**
2016	**2,350**
2017	**2,350**
2018	**22,700**
	77,200

8. EMPLOYEE BENEFIT OBLIGATIONS

The City's employee benefit obligations to be funded in the future are as follows:

	Total 2013	Total 2012
Defined benefit pension plans		
Regina Police Superannuation and Benefits Plan	**6,905**	5,800
Regina Police Civilian Employees' Early Retirement	**662**	594
	7,567	6,394
Other benefit plans		
Termination payments	**17,596**	17,213
Continuation of group life, medical and dental benefits	**9,819**	11,340
	27,415	28,553
Other plans and arrangements		
Vacation	**13,646**	13,385
Overtime	**3,383**	2,978
Other termination payments and pensions	**388**	381
Group life, medical and dental plans	**344**	318
	17,761	17,062
	52,743	52,009

a. Defined benefit pension plans

The Regina Police Superannuation and Benefits Plan is a defined benefit pension plan. As required by provincial legislation, an actuarial funding valuation is completed at least triennially.

The Regina Police Civilian Employees' Early Retirement Benefits Arrangement is a defined benefit arrangement augmenting the Regina Police Pension Plan. If a member of the Regina Police Pension Plan retires prior to eligibility for Canada Pension Plan (CPP) benefits, the City pays benefits equivalent to the CPP benefits the member would receive at the CPP retirement age until the member starts to receive actual CPP benefits. Contributions are not required from members.

An actuarial valuation of the defined benefit pension plans is performed using the projected benefit method prorated on service to determine the accrued benefit obligation and the expense to be recognized in the financial statements.

The results of the most recent actuarial valuations and significant assumptions utilized in these valuations are as follows:

8. Employee benefit obligations (continued)

	Police Pension Plan	Police Civilian Employees' Early Retirement	Total 2013	Total 2012
Fair value of plan assets, beginning of year	**127,009**	-	**127,009**	118,268
Employer contributions	**6,573**	-	**6,573**	6,160
Actual return on plan assets	**13,091**	-	**13,091**	11,007
Less benefits paid	**(8,781)**	-	**(8,781)**	(8,426)
Fair value of plan assets, end of year	**137,892**	-	**137,892**	127,009
Accrued benefit obligation, beginning of year	**146,987**	**943**	**147,930**	141,060
Current period benefit cost	**4,292**	**29**	**4,321**	4,087
Interest on accrued benefit obligation	**9,987**	**64**	**10,051**	9,512
Actuarial loss	**535**	**74**	**609**	1,756
Less benefits paid	**(8,781)**	**(66)**	**(8,847)**	(8,485)
Accrued benefit obligation, end of year	**153,020**	**1,044**	**154,064**	147,930
Funded status, plan deficit	**(15,128)**	**(1,044)**	**(16,172)**	(20,921)
Unamortized net actuarial loss	**8,223**	-	**8,223**	14,527
Accrued benefit liability	**6,905**	**1,044**	**7,949**	6,394
Current period benefit cost	**4,292**	**29**	**4,321**	4,087
Amortization of actuarial loss	**2,086**	**41**	**2,127**	1,882
Interest expense	**1,300**	**64**	**1,364**	1,020
Benefit expense	**7,678**	**134**	**7,812**	6,989

8. Employee benefit obligations (continued)

The actuarial valuations were performed by Aon Consulting Inc.

	Police Pension Plan	Police Civilian Employees' Early Retirement
Date of most recent valuation	Dec 31, 2012	Dec 31, 2012
Discount rate (%)	6.90	6.90
Inflation rate (%)	2.5	2.5
Long term return rate on plan assets (%)	6.90	0
Rate of compensation increase (%)	3.0	3.0
Expected average remaining service years	13.5	12.7
Contribution rate as a percentage of salary:		
Members	11.33 - 12.83%	-
City	11.83 - 13.33%	variable

b. Other benefit plans

Pursuant to union agreements eligible employees are entitled to termination payments based upon their unused sick leave or years of service.

Group life, medical and dental benefits represents the obligation for the continuation of group life insurance, dental and medical benefits for employees on long-term disability and the City's share of group life insurance for early retirees.

Retirees may continue group life insurance coverage to age 65 on a 50% cost shared basis with the City. Employee and employer premiums for continuation of group life insurance for employees on long term disability are fully funded through contributions maintained in a reserve. Medical and dental coverage for employees on long-term disability is provided on a 50% cost shared basis between the employee and employer.

A group life insurance plan is administered by Saskatchewan Blue Cross on a self insured basis, with a stop loss provision limiting losses to claims in excess of 150% of premiums for any calendar year. The primary components of the plan are funded equally by employer and employees. Dental and medical plans are also provided for most employees on a cost shared or employer funded basis.

For group life insurance, the balance of the employer and employee premiums collected in excess of claims are held in group insurance reserves, which are intended for future benefits and stabilization of premiums. The employer's portion of the obligations under the group insurance plan that will be funded from the reserves is reflected in Other Benefit Plans. Amounts held in the reserves that reflect obligations to be funded from employee contributions have been included in Accounts Payable and Accrued Liabilities. The balance of the group life insurance reserves, after reflecting the liabilities

8. Employee benefit obligations (continued)

b. Other benefit plans (continued)

for the employee and employer share of future obligations, is $5,059 (2012 - $5,008). This amount has been included in Group Benefits Reserves (Note 14).

Actuarial valuations are performed to determine the accrued benefit obligation and the expense to be recognized in the financial statements. The results of and significant assumptions utilized in these valuations are as follows:

	City employees	Library employees	Group life, medical and dental plans	Total 2013	Total 2012
Accrued benefit obligation, beginning of year	**16,182**	**1,031**	**11,340**	**28,553**	28,850
Current period benefit cost	**1,256**	**77**	**1,658**	**2,991**	1,960
Interest on accrued benefit obligation	**507**	**40**	**352**	**899**	893
Actuarial (gain) loss	-	**35**	**(2,614)**	**(2,579)**	(765)
Less benefits paid	**(1,107)**	**(53)**	**(918)**	**(2,078)**	(2,375)
Change in assumptions	**(329)**	-	-	**(329)**	-
Unamortized net actuarial gain	-	**(43)**	-	**(43)**	(10)
Accrued benefit liability - unfunded	**16,509**	**1,087**	**9,818**	**27,414**	28,553
Current period benefit cost	**1,256**	**77**	-	**1,333**	1,960
Amortization of actuarial (gain) loss	**(46)**	**(8)**	-	**(54)**	(819)
Interest expense	**507**	**40**	-	**547**	893
Benefit expense	**1,717**	**109**	-	**1,826**	2,034

	Aon Consulting Inc.		Mercer
Date of most recent valuation	Dec 31, 2011	Dec 31, 2011	Dec 31, 2011
Discount rate (%)	3.25	3	2.6-4.0
Rate of compensation increase (%)	4.5-4.6	3.6-5.5	3.6-3.7
Expected average remaining service years	10-14	11	n/a

c. Other plans and arrangements

Employees are entitled to vacation pay and overtime as outlined in administrative policies and/or contractual agreements. The liability for these benefits is determined using current rates of pay and is not discounted.

Out of scope employees are contractually entitled to certain pensions and termination payments. BPWAB employees are entitled to termination payments based upon years of service or unused sick leave. Benefits start to vest after 10 or 15

8. Employee benefit obligations (continued)

c. Other plans and arrangements (continued)

years of service and are recognized as expenses when they are vested.

Group life, medical and dental plans represents the liability for claims in progress and claim fluctuations under those plans at the end of the year.

d. Multi-employer defined benefit plans

Two multi-employer defined benefit plans provide benefits to employees of the City of Regina, the Qu'Appelle Health Region (the Regina General Hospital Division and Community Health Division), Buffalo Pound Water Administration Board, Regina Public Library, and the non-teaching staff of the Board of Education of the Regina School Division No. 4 of Saskatchewan. The following represents the amounts for these plans:

	Superannuation & Benefit Plan	Long-Term Disability Plan	**Total 2013**	Total 2012
Benefit expense	13,285	526	**13,811**	13,796
(Deficit) surplus of plan assets over benefit obligation per plan financial statements - unaudited	(117,911)	21,727	**(96,184)**	(237,456)
Contribution rate as a percentage of salary:				
Members	8.42 - 13.96%	0.92%		
Employers	8.42 - 13.96%	0.92%		
City employee contributions	13,152	526	**13,678**	13,660
Date of most recent actuarial valuation	Dec 31, 2012	Dec 31, 2012		

The contributions by the participating employers are not segregated in separate accounts or restricted to provide benefits to the employees of a particular employer. The portion of the annual benefit costs and of the asset surpluses (deficits) that are attributable to the City cannot be easily determined.

Accordingly, the multi-employer plans are accounted for on the defined contribution basis. No portion of the asset (deficit) surplus of the plans are recognized in these financial statements. The benefit expense reflected in the financial statements is equal to the City's contributions for the year.

e. Defined contribution pension plan

The Casual Employees' Superannuation and Elected Officials' Money Purchase Pension Plan is a defined contribution plan. Pension fund assets are invested in marketable investments of organizations external to the City. Benefit expense is limited to the City's contributions to the plan.

	2013	2012
Casual employee members' contribution rate	**3.00 %**	3.00 %

8. Employee benefit obligations (continued)

e. Defined contribution pension plan (continued)

	2013	2012
Elected official members' contribution rate	**6.95 %**	6.95 %
Members' contributions	**302**	277
Benefit expense	**302**	277

9. TANGIBLE CAPITAL ASSETS

	Net Book Value	
	2013	2012
General		
Land	**92,948**	77,909
Land improvements	**51,326**	47,251
Buildings and building improvements	**56,835**	57,054
Vehicles and equipment	**121,897**	115,653
Office and information technology	**8,480**	8,956
Infrastructure		
Plants and facilities	**167,530**	151,645
Roads	**319,886**	289,282
Underground and other networks	**408,221**	390,453
Bridges and other structures	**15,551**	15,809
	1,242,674	1,154,012
Assets under construction	**81,407**	53,560
	1,324,081	1,207,572

For additional information, see the Consolidated Schedule of Tangible Capital Assets (Schedule 3).

During the year write downs of assets were $nil (2012 - $nil). In addition, tangible capital assets contributed to the City totalled $46,980 (2012 - $51,753), which were capitalized and recorded as revenue at their fair value at the time of receipt.

10. LANDFILL CLOSURE AND POST-CLOSURE

Legislation requires closure and post closure care of solid waste landfill sites. Closure care includes final covering and landscaping of the landfill and implementation of drainage and gas management plans. Post closure care requirements include cap maintenance, groundwater monitoring, gas management system operations, inspections and annual reports.

	2013	2012
Estimated closure and post-closure costs over 40 years after capacity is reached	**84,618**	80,310
Discount rate	**4.469 %**	3.772 %
Discounted cost	**54,265**	52,794
Expected year capacity will be reached	**2028**	2028
Capacity (m3):		
Used to date	**9,871,000**	9,465,000
Remaining	**1,444,700**	1,850,700
Total	**11,315,700**	11,315,700
Percent utilized	**87.23 %**	83.64 %
Liability based on the percentage used	**47,337**	44,160

The liability recognized in the financial statements is subject to measurement uncertainty. The recognized amounts are based on the City's best information and judgment. Amounts could change by more than a material amount in the long term.

The unfunded liability for the landfill will be paid for per the annual approved budget where capital expenditures will be funded from the Solid Waste Reserve and operational expenses will be funded through the operating budget, resulting in a reduction in the transfer to the Solid Waste Reserve.

Financial assurance on projects related to construction liability, including landfill are handled as follows:

Requirement of a Performance Bond and a Labour & Material Payment Bond, both in the amount of 50% of the total contract price for each contract. The Performance Bond is typically in place through the 2-year warranty period and provides assurance that the contractor will perform and complete the contracted work. If they do not the bonding company will either take over the project to completion or compensate the owner up to the value of the bond for completion of the work. The labour & material payment bond protects the owner from a general contractor not paying their subcontractors or material suppliers. The bonding company would pay any unpaid subcontractors or material suppliers up to the value of the bond.

10. Landfill closure and post-closure (continued)

Builder's Lien Holdback - A provincial act requires that the City withhold payment each progress certificate for 45 days. Similar to the labour & material payment bond the intent is to protect subcontractors and material suppliers who do not get paid by the general contractor.

Deficiency Holdback - The City contract provides the right for the owner to withhold payment for deficient work. Typically the holdback is not released until the deficiency is corrected and in some case it will not be released if the contractor decides to not complete the work.

Insurance - The City contract requires the general contractor to have insurance jointly in the name of the City for each project. The City has fairly significant general requirements for all contracts and include special insurance requirements for unique projects. ie. environmental insurance for environment selective projects.

11. COMMITMENTS AND CONTINGENCIES

As at December 31, 2013, the expected commitment to deliver services under the Waste Water Treatment Plant Upgrade (WWTP) projects is expected to be $224,300. The WWTP is being pursued as a P3 project and has qualified for P3 funding from the government of Canada. The funding is for 25% of the capital cost of the WWTP up to $58.7 million. At this time, the preferred proponent has not been selected, therefore; the exact amount of this upgrade won't be known until the preferred proponent is selected and the contract is finalized under the competitive bid process.

The City has also committed to the following three projects:

1) Mosaic Stadium Replacement – construction of a new stadium at Evraz Place. Construction is expected to start in Summer of 2014 and to be completed in Spring of 2017. The City had expenditures of $3,297 in 2012 and $9,031 in 2013 for assets under construction. The expected cost of the Stadium Replacement project is $278,200.

2) Taylor Field Neighbourhood – this project relates to the development of the area where the current Mosaic Stadium is located. Significant work is not expected to start until the stadium is decommissioned in 2017.The City spent $769 in 2013 for the purchase of land.

3) Railyard Renewal – this project relates to the development of the old CP Railyard. The City put a deposit of $750 for the purchase of CP Rail Land in 2012 and paid the remaining $6,780 in 2013.

12. PROPERTY HELD FOR RESALE

Property acquired through the tax enforcement process and held for sale is recorded at the lesser of cost and net realizable value. Cost is equal to the outstanding taxes including any applicable penalties, as well as the costs incurred in acquiring the land. The valuation allowance reflects a potential reduction in the carrying value that may be realized upon sale. Land acquired other than through the tax enforcement process and held for sale is recorded at lower of cost or net realizable value.

12. Property held for resale (continued)

	2013	2012
Property held for resale	**661**	661
Valuation allowance	**(651)**	(651)
Property held for resale, net of allowance	**10**	10
Acquired property held for resale, net of allowance	**339**	32
	349	42
Property held for resale, estimated fair value - unaudited	**6,717**	7,392

13. ACCUMULATED SURPLUS

Accumulated surplus represents the equity of an organization. In determining accumulated surplus, revenues and expenses are recognized as they are earned and incurred, according to PSAS.

Council through its annual budget process and other policies and bylaws may fund certain amounts on a basis that differs from the expense recognition basis prescribed by PSAS.

Unappropriated surpluses represent equity relating to certain entities consolidated within the City's financial statements that have not been designated for a specific use by that entity.

Appropriations for capital projects and reserves represent amounts that have been internally restricted for specific purposes.

Obligations to be funded from future revenues represent amounts recognized as expenses according to PSAS, that will be funded from future revenues.

Infrastructure to be funded from future service agreement fees represent infrastructure that has been constructed by the City, the costs of which are expected to be funded from future service agreement fees.

	2013	2012
Unappropriated surpluses:		
Regina Downtown Business Improvement District	**(270)**	50
Regina Regional Opportunities Commission	**243**	585
Regina Public Library	**1,281**	1,098
Regina's Warehouse Business Improvement District	**(40)**	(32)
Tangible capital assets	**1,324,081**	1,207,572
Appropriated surpluses:		
General capital projects	**67,805**	55,211
Utility capital projects	**59,095**	79,870
Reserves	**203,808**	163,249
Infrastructure to be funded from future service agreement fees:		
Water, wastewater and drainage	**(30,505)**	(34,735)
Obligations to be funded from future revenues:		
Long-term debt	**(77,200)**	(81,550)
Employee benefit obligations	**(52,743)**	(52,009)
Landfill closure and post-closure	**(47,337)**	(44,160)
Capital lease obligations	**(1,241)**	(1,323)
Accumulated surplus	**1,446,977**	1,293,826

14. RESERVES

	2013	2012
City of Regina reserves:		
General utility reserve	**85,179**	63,026
Facility reserve	**600**	400
General fund reserve	**27,574**	27,051
Landfill reserve	**21,402**	18,318
RRI-stadium reserve	**710**	-
Land development reserve	**17,710**	6,496
Asset revitalization reserve	**5,611**	7,644
Equipment replacement reserve	**4,534**	4,354
Social development reserve	**5,654**	4,145
Operational commitments reserve	**161**	-
Planning & sustainability reserve	**6,726**	3,990
Winter road maintenance reserve	**3,523**	3,523
Regina Police Service general reserve	**1,440**	2,354
Asphalt reserve	**819**	1,246
Grants reserve	**512**	936
Golf course reserve	**554**	730
Technology reserve	**757**	644
Employer provided parking reserve	**685**	537
Cemetery reserve	**507**	520
Pest management reserve	**337**	296
Regina Police Service radio equipment reserve	**155**	111
	185,150	146,321
Group Benefits reserves:		
Group life insurance reserve	**5,059**	5,008
Dental benefits reserve	**1,739**	1,631
Medical - City of Regina reserve	**735**	732
Police services premium reduction reserve	**378**	379
Police long-term disability reserve	**130**	51
	8,041	7,801
Other Entities`reserves:		
Regina Public Library reserves	**8,236**	7,288
Buffalo Pound Water Administration Board capital replacement reserve	**1,913**	1,416
Regina Downtown Business Improvement District reserve	**329**	321
Regina's Warehouse Business Improvement District infrastructure reserve	**139**	102
	10,617	9,127

14. Reserves (continued)

	2013	2012
	203,808	163,249

15. TAXATION REVENUE

	Budget 2013	**Actual 2013**	Actual 2012
Total taxation revenue levied	-	**303,774**	290,323
Taxies levied on behalf of others:			
Regina School Division No. 4	-	**(79,505)**	(79,023)
Regina Roman Catholic Separate School Division No. 81	-	**(36,212)**	(36,457)
Taxation revenue	188,449	**188,057**	174,843
City of Regina			
Municipal levies	154,996	**154,450**	142,512
Grants in lieu	11,079	**11,350**	11,050
Supplementary taxes	2,000	**1,660**	2,059
Other	2,135	**1,761**	1,737
	170,210	**169,221**	157,358
Regina Public Library			
Taxation levies	16,036	**16,594**	15,528
Grants in lieu	1,154	**1,224**	1,194
	17,190	**17,818**	16,722
Regina Downtown Business Improvement District levies	829	**776**	604
Regina's Warehouse Business Improvement District levies	220	**242**	159
	188,449	**188,057**	174,843

Taxation revenues are recorded net of an allowance for uncollectible outstanding taxes and a provision for potential losses on assessment appeals outstanding. As at December 31, 2013, the following amounts are reflected in the Statement of Financial Position for these provisions:

Allowance for doubtful outstanding taxes netted against taxes receivable	-	**2,252**	1,904
Provision for assessment appeals included in accounts payable	-	**2,825**	3,140

16. GOVERNMENT TRANSFERS

	Budget 2013	**2013**	2012
Operating transfers			
Federal	480	**665**	970
Provincial	44,221	**54,755**	53,657
	44,701	**55,420**	54,627
Capital transfers			
Federal	11,080	**11,864**	16,078
Provincial	18,475	**7,051**	1,747
	29,555	**18,915**	17,825
	74,256	**74,335**	72,452

Government transfers do not include grants in lieu of taxes received from the Federal and Provincial governments. These amounts are included with taxation revenue (Note 15).

17. GOVERNMENT PARTNERSHIP

BPWAB operates under an agreement between the Cities of Moose Jaw and Regina. Its purpose is to operate the water treatment plant at Buffalo Pound Lake and to supply water to the two cities at cost. Any (recovery) distribution of annual operating (deficit) surplus is shared between the cities according to their respective usage.

The following is a schedule of relevant financial information as stated within the financial statements of BPWAB for the year ended December 31, 2013 in thousands of dollars. Please note there are no known contractual obligations or contingencies as at December 31, 2013. These amounts represent 100% of the Board's financial position and activities:

	2013	2012
Financial assets	**4,306**	4,238
Tangible capital assets	**23,094**	24,521
Other non-financial assets	**98**	70
Total assets	**27,498**	28,829
Financial liabilities	**2,260**	2,849
Capital replacement reserve	**2,587**	1,918
Obligations to be funded from future revenues	**(443)**	(459)
Investment in tangible capital assets	**23,094**	24,521
Total liabilities and equity	**27,498**	28,829

17. Government Partnership (continued)

	2013	2012
Revenue	**10,717**	10,186
Expenses	**11,439**	10,982
Net loss	**(722)**	(796)

The above amounts are proportionately consolidated within the consolidated financial statements at 73.95% (2012 – 73.85%), the City's interest in the government partnership. After eliminating transactions between the City and the partnership, the following amounts have been included in the consolidated statements:

	2013	2012
Financial assets	**2,190**	1,670
Financial liabilities	**(689)**	(711)
Non-financial assets	**17,150**	18,160
Net assets	**18,651**	19,119
Revenue	**1,151**	1,090
Expenses	**7,272**	6,800

18. DEFERRED REVENUE

	December 31, 2012	Externally restricted inflows	Revenue earned	**December 31, 2013**
Provincial/Territorial Base Fund	1,001	1,000	(487)	**1,514**
Service agreement fees	21,942	3,487	(3,328)	**22,101**
Other	5,985	5,852	-	**11,837**
	28,928	10,339	(3,815)	**35,452**

19. FUNDS HELD IN TRUST

The City of Regina administers the following trusts. As related assets are not owned by the City, the trusts have been excluded from the consolidated financial statements. Following is a summary of the net assets of the trusts:

	2013	2012
Perpetual Care Trust	**2,614**	2,607
Williamson Driver Award	**5**	5
	2,619	2,612

20. SEGMENTED INFORMATION

The City is a diversified municipal government institution that provides a wide range of services to its citizens, including police, fire, public transit, and water. A new organizational structure was introduced in 2011 and formally took effect November 1, 2011, the key changes included: moving to three divisions from four; each division is led by a Deputy City Manager rather than a General Manager; creation of two Executive Director positions in charge of Legal, and Governance and Strategy. The three new divisions are City Operations, Community Planning and Development, and Corporate Services. The segmented information in these statements has been adjusted to reflect the new organizational structure described. For management reporting purposes the City's operations and activities are organized and reported by Fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations. The financial activities of the City reported by Fund are included in Schedule 1. City services are provided by divisions and their activities are reported in these funds. Certain divisions that have been separately disclosed in the segmented information in Schedule 2, along with the services they provide, are as follows:

a. City Operations

City Operations is responsible for ensuring the City's infrastructure systems are effectively preserved, funded, and operated. This division preserves and operates municipal infrastructure involving roadways, traffic, water, drainage, waste water and solid waste to meet regulatory requirements and community needs. City Operations also includes fire services, parks and open space services and public transportation services.

b. Community Planning and Development

Community Planning and Development provides a long term comprehensive approach to planning, engineering and development processes to ensure the efficient use of land and community infrastructure. The division encompasses land use, neighbourhood, transportation and infrastructure planning, long range capital planning, development review, building permits and inspection, real estate services, community, recreation and cultural programs and services.

c. Corporate Services

Corporate Services provides services and support to both internal and external customers, enabling City Operations to maximize effectiveness and potential. Corporate Services includes Financial Services, Information Technology Services, Human Resources, Fleet Services, and Facilities Management Services.

20. Segmented information (continued)

d. Regina Police Services

Regina Police Services is responsible for the delivery of policing services within the municipality and is dedicated to a safe and caring community.

For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information. The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1. For additional information see the Consolidated Schedule of Operations by Segment (Schedule 2).

21. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year's presentation.

CONSOLIDATED STATEMENT OF OPERATIONS BY FUND AND ORGANIZATION Schedule 1

For the Year Ended December 31, 2013

(in thousands of dollars)

	General Operating	Utility Operating	General Capital	Utility Capital	Total City of Regina
REVENUES					
Taxation	169,683	-	-	-	169,683
Fees and charges	52,667	103,781	151	-	156,599
Government transfers	52,929	1,465	18,916	-	73,310
Electrical distribution	32,843	-	-	-	32,843
Licenses, fines and levies	11,136	-	678	-	11,814
Gas distribution	6,739	-	-	-	6,739
Interest and penalties	1,210	168	-	-	1,378
Interest on portfolio investments	7,317	1,600	587	161	9,665
Realized gains on portfolio investments	(1)	-	-	-	(1)
Service agreement fees	1,284	-	11,126	12,964	25,374
Land sales	18,128	-	-	-	18,128
Other	19,054	195	850	4,789	24,888
Contribution of tangible capital assets	-	-	34,400	12,580	46,980
	372,989	107,209	66,708	30,494	577,400
EXPENSES					
Parks, recreation and community services	38,073	-	3,663	-	41,736
Police	71,223	-	4	-	71,227
Legislative and administrative services	42,562	-	9,327	-	51,889
Water, wastewater and drainage	27	53,638	-	5,068	58,733
Roads and traffic	26,316	-	6,676	-	32,992
Fire	41,461	-	154	-	41,615
Transit	30,355	-	502	-	30,857
Waste collection and disposal	17,803	-	808	-	18,611
Grants	5,357	-	26	-	5,383
Planning and development	16,517	-	-	-	16,517
Amortization	-	-	42,098	13,107	55,205
	289,694	53,638	63,258	18,175	424,765
Annual surplus (deficit)	83,295	53,571	3,450	12,319	152,635

CONSOLIDATED STATEMENT OF OPERATIONS BY FUND AND ORGANIZATION

Schedule 1

For the Year Ended December 31, 2013

(in thousands of dollars)

RDBID	RROC	BPWAB	RPL	RWBID	Consolidation adjustments	**Consolidated 2013**
776	-	-	17,818	243	(463)	**188,057**
58	757	6,713	1,076	12	(6,737)	**158,478**
-	1,023	-	925	-	(923)	**74,335**
-	-	-	-	-	-	**32,843**
-	-	-	-	-	-	**11,814**
-	-	-	-	-	-	**6,739**
-	-	28	-	-	-	**1,406**
-	-	-	-	-	-	**9,665**
-	-	-	-	-	-	**(1)**
-	-	-	-	-	-	**25,374**
-	-	-	-	-	-	**18,128**
32	-	5	-	-	(12,113)	**12,812**
-	-	-	-	-	-	**46,980**
866	1,780	6,746	19,819	255	(20,236)	**586,630**
746	2,083	-	16,384	169	(1,535)	**59,583**
-	-	-	-	-	-	**71,227**
-	-	-	-	-	(84)	**51,805**
-	-	6,019	-	-	(17,694)	**47,058**
-	-	-	-	-	-	**32,992**
-	-	-	-	-	-	**41,615**
-	-	-	-	-	-	**30,857**
-	-	-	-	-	-	**18,611**
-	-	-	-	-	(923)	**4,460**
-	-	-	-	-	-	**16,517**
42	80	1,270	2,146	11	-	**58,754**
788	2,163	7,289	18,530	180	(20,236)	**433,479**
78	(383)	(543)	1,289	75	-	**153,151**

CONSOLIDATED STATEMENT OF OPERATIONS BY SEGMENT

Schedule 2

For the Year Ended December 31, 2013

(in thousands of dollars)

	City Operations	Community Planning and Development	Regina Police Services	Corporate Services	Total City of Regina
REVENUES					
Taxation	-	169,683	-	-	169,683
Fees and charges	34,784	16,060	800	104,955	156,599
Government transfers	12,648	2,478	6,812	51,372	73,310
Electrical distribution	-	-	-	32,843	32,843
Licenses, fines and levies	694	6,815	-	4,305	11,814
Gas distribution	-	-	-	6,739	6,739
Interest and penalties	-	1,211	-	167	1,378
Interest on portfolio investments	96	-	-	9,569	9,665
Realized gains on portfolio investments	-	-	-	(1)	(1)
Service agreement fees	3,225	8,736	-	13,413	25,374
Land sales	-	18,128	-	-	18,128
Other	8,216	516	1,531	14,625	24,888
Contribution of tangible capital assets	41,638	-	-	5,342	46,980
	101,301	223,627	9,143	243,329	577,400
EXPENSES					
Wages and benefits	95,953	22,340	59,086	35,496	212,875
Materials, supplies, contracted services and other goods	47,503	29,540	7,332	42,896	127,271
Utilities	14,870	5	432	4,201	19,508
Transfer payments/grants	256	4,053	44	2,055	6,408
Interest	-	-	-	3,498	3,498
Amortization	43,760	-	2,081	9,364	55,205
	202,342	55,938	68,975	97,510	424,765
Annual surplus (deficit)	(101,041)	167,689	(59,832)	145,819	152,635

CONSOLIDATED STATEMENT OF OPERATIONS BY SEGMENT

Schedule 2

For the Year Ended December 31, 2013

(in thousands of dollars)

RDBID	RROC	BPWAB	RPL	RWBID	Consolidation adjustments	**Consolidated 2013**
776	-	-	17,818	243	(463)	**188,057**
58	757	6,713	1,076	12	(6,737)	**158,478**
-	1,023	-	925	-	(923)	**74,335**
-	-	-	-	-	-	**32,843**
-	-	-	-	-	-	**11,814**
-	-	-	-	-	-	**6,739**
-	-	28	-	-	-	**1,406**
-	-	-	-	-	-	**9,665**
-	-	-	-	-	-	**(1)**
-	-	-	-	-	-	**25,374**
-	-	-	-	-	-	**18,128**
32	-	5	-	-	(12,113)	**12,812**
-	-	-	-	-	-	**46,980**
866	1,780	6,746	19,819	255	(20,236)	**586,630**
374	1,211	2,190	10,948	5	(972)	**226,631**
372	872	2,465	5,367	11	(13,426)	**122,932**
-	-	1,364	-	153	(4,915)	**16,110**
-	-	-	-	-	(923)	**5,485**
-	-	-	69	-	-	**3,567**
42	80	1,270	2,146	11	-	**58,754**
788	2,163	7,289	18,530	180	(20,236)	**433,479**
78	(383)	(543)	1,289	75	-	**153,151**

CONSOLIDATED STATEMENT OF OPERATIONS BY SEGMENT

Schedule 2

For the Year Ended December 31, 2012

(in thousands of dollars)

	City Operations	Planning and Development	Regina Police Services	Corporate Services	Total City of Regina
REVENUES					
Taxation	-	157,807	-	-	157,807
Fees and charges	32,747	17,465	667	95,011	145,890
Government transfers	16,824	10,570	6,373	37,392	71,159
Electrical distribution	-	-	-	30,075	30,075
Licenses, fines and levies	195	11,226	-	-	11,421
Gas distribution	-	-	-	5,620	5,620
Interest and penalties	-	1,098	-	260	1,358
Interest on portfolio investments	139	-	-	8,441	8,580
Realized gains on portfolio investments	-	-	-	3,006	3,006
Service agreement fees	18	1,647	-	13,031	14,696
Land sales	-	2,667	-	-	2,667
Other	1,017	532	1,309	12,403	15,261
Contribution of tangible capital assets	43,199	-	-	8,554	51,753
	94,139	203,012	8,349	213,793	519,293
EXPENSES					
Wages and benefits	92,663	20,961	60,115	31,026	204,765
Material, supplies, contracted services and other goods	61,303	31,418	6,599	29,473	128,793
Utilities	12,321	96	365	3,923	16,705
Transfer payments/grants	298	4,257	51	2,214	6,820
Interest	-	-	-	3,547	3,547
Amortization	40,487	-	2,024	8,969	51,480
	207,072	56,732	69,154	79,152	412,110
Annual surplus (deficit)	(112,933)	146,280	(60,805)	134,641	107,183

CONSOLIDATED STATEMENT OF OPERATIONS BY SEGMENT

Schedule 2

For the Year Ended December 31, 2012

(in thousands of dollars)

RDBID	RROC	BPWAB	RPL	RWBID	Consolidation adjustments	**Consolidated 2012**
604	-	-	16,722	159	(449)	**174,843**
18	514	6,393	1,595	13	(6,331)	**148,092**
-	1,108	-	1,108	-	(923)	**72,452**
-	-	-	-	-	-	**30,075**
-	-	-	-	-	-	**11,421**
-	-	-	-	-	-	**5,620**
-	-	21	-	-	-	**1,379**
-	-	-	-	-	-	**8,580**
-	-	-	-	-	-	**3,006**
-	-	-	-	-	-	**14,696**
-	-	-	-	-	-	**2,667**
53	-	-	-	-	(11,253)	**4,061**
-	-	-	-	-	-	**51,753**
675	1,622	6,414	19,425	172	(18,956)	**528,645**
295	1,001	1,992	11,262	9	(977)	**218,347**
353	568	2,679	5,155	197	(11,815)	**125,930**
-	160	933	-	-	(5,241)	**12,557**
45	-	-	-	-	(923)	**5,942**
-	-	-	-	-	-	**3,547**
36	82	1,303	2,375	7	-	**55,283**
729	1,811	6,907	18,792	213	(18,956)	**421,606**
(54)	(189)	(493)	633	(41)	-	**107,039**

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

Schedule 3

For the Year Ended December 31, 2013

(in thousands of dollars)

	General				
	Land	Land improvements	Buildings and building improvements	Vehicles and equipment	Office and information technology
Cost					
Balance, beginning of year	77,909	112,799	114,380	220,657	20,771
Add:					
Additions during the year	15,439	5,748	799	22,263	3,141
Transfers from assets under construction	750	1,525	1,255	1,461	278
Less:					
Disposals during the year	1,150	517	126	11,353	2,532
Balance, end of year	92,948	119,555	116,308	233,028	21,658
Accumulated amortization					
Balance, beginning of year	-	65,548	57,326	105,004	11,815
Add:					
Amortization	-	2,857	2,274	16,833	3,893
Less:					
Accumulated amortization on disposals	-	176	126	10,708	2,528
Balance, end of year	-	68,229	59,474	111,129	13,180
Net Book Value	92,948	51,326	56,834	121,899	8,478

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

Schedule 3

For the Year Ended December 31, 2013

(in thousands of dollars)

Infrastructure						
Plants and facilities	**Roads**	**Underground and other networks**	**Bridges and other structures**	**Assets under construction**	**2013**	2012
249,460	**606,435**	**551,279**	**26,190**	**53,560**	**2,033,440**	1,909,725
21,159	**46,840**	**24,270**	**173**	**38,667**	**178,499**	145,537
613	**3,958**	**980**	**-**	**-**	**10,820**	41,824
233	**6,583**	**-**	**-**	**10,819**	**33,313**	63,646
270,999	**650,650**	**576,529**	**26,363**	**81,408**	**2,189,446**	2,033,440
97,815	**317,153**	**160,826**	**10,381**	**-**	**825,868**	788,485
5,775	**19,208**	**7,482**	**432**	**-**	**58,754**	55,283
123	**5,596**	**-**	**-**	**-**	**19,257**	17,900
103,467	**330,765**	**168,308**	**10,813**	**-**	**865,365**	825,868
167,532	**319,885**	**408,221**	**15,550**	**81,408**	**1,324,081**	1,207,572

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GENERAL TRUST FUND

Deloitte.

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INDEPENDENT AUDITOR'S REPORT

To His Worship the Mayor and Members of City Council

We have audited the accompanying financial statements of the General Trust, which comprise the statement of financial position as at December 31, 2013, and the statement of revenue, expenditures and change in fund balance for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of General Trust Fund of the City of Regina as at December 31, 2013, and the results of its operations for the year then ended in accordance with Canadian public sector accounting standards.

Deloitte LLP

Chartered Accountants

May 26, 2014
Regina, Saskatchewan

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General Trust Fund

STATEMENT OF FINANCIAL POSITION

(in thousands of dollars)

As at December 31

	Perpetual Care Trust	Williamson Driver Award	Total 2013	Total 2012
ASSETS				
Cash	83	-	**83**	213
Long-term investments (Note 4)	2,627	5	**2,632**	2,538
Total Assets	2,710	5	**2,715**	2,751
LIABILITIES AND FUND BALANCES				
Due to the City of Regina	96	-	**96**	139
Fund balance	2,614	5	**2,619**	2,612
Total Liabilities and Fund Balances	2,710	5	**2,715**	2,751

See accompanying notes.

General Trust Fund

STATEMENT OF REVENUE, EXPENDITURES AND CHANGE IN FUND BALANCE

(in thousands of dollars)

For the year ended December 31

	Perpetual Care Trust	Williamson Driver Award	Total 2013	Total 2012
REVENUE				
Contributions	7	-	**7**	8
Investment income	95	-	**95**	139
Total Revenue	102	-	**102**	147
EXPENDITURES				
Cemetery maintenance	95	-	**95**	138
Total Expenditures	95	-	**95**	138
Excess of revenue over expenditures	7	-	**7**	9
Fund balance, beginning of year	2,607	5	**2,612**	2,603
Fund balance, end of year	2,614	5	**2,619**	2,612

See accompanying notes.

NOTES TO FINANCIAL STATEMENTS

(in thousands of dollars)

December 31, 2013

1. PURPOSE OF FUND

The General Trust Fund comprises the assets, liabilities, revenues and expenses of the following two trusts administered by the City of Regina (the City):

(a) Perpetual Care Trust - In accordance with *The Cemeteries Act, 1999*, a portion of the monies received by the City from the sale of cemetery plot rights is put into a trust and invested. The income from the trust is used to pay for care and maintenance of the plots. Special approval is needed from the Registrar of Cemeteries before trust capital can be used to fund care and maintenance.

(b) Williamson Driver Award - When a bond was bequeathed to the City of Regina with trust conditions attached, a trust was established under *The Trust Act*. Each year the income from the bond is used to provide a safe-driving award to a Regina Transit employee.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian public sector accounting standards, as recommended by the Chartered Professional Accountants of Canada (CPA Canada). The following policies are considered to be significant.

(a) The preparation of the financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and use assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

(b) Investments are recorded at cost less writedowns to reflect other than temporary declines in values. Any gains or losses are recognized on disposition of the investments.

(c) Investment revenue is recorded on the accrual basis.

(d) NEW STANDARDS AND AMENDMENTS TO STANDARDS

The following new standards and amendments to standards, effective for annual periods on or after April 1, 2012, have been analyzed in preparing these financial statements:

PS 1201, Financial Statement Presentation
PS 2601, Financial Currency Translation
PS 3410, Government Transfers
PS 3450, Financial Instruments
PS 3510, Tax Revenue

The prospective adoption of these standards had no material impact on the financial statements.

NOTES TO FINANCIAL STATEMENTS

(in thousands of dollars)

December 31, 2013

3. FINANCIAL INSTRUMENTS

The carrying value of the amount due to the City of Regina approximates fair value due to its short-term nature.

Long-term investments are primarily exposed to foreign currency, interest rate, and market risk.

Interest rate risk refers to the adverse consequences of interest rate changes on the General Trust Fund's cash flows, financial position and excess of revenues over expenditures. This risk arises from differences in the timing and amount of cash flows related to the General Trust Fund's assets and liabilities.

Foreign currency risk arises from holding investments denominated in currencies other than the Canadian dollar. Fluctuations in the relative value of the Canadian dollar against these foreign currencies can result in a positive or negative effect on the fair value of investments held in the pooled bond fund.

Market risk is the risk that the value of an investment will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual investment, or factors affecting all securities traded in the market.

4. LONG-TERM INVESTMENTS

The long-term investments consist of a pooled bond fund. A pooled bond fund is a group of individual bonds managed by an investment manager. The market value of the pooled bond fund units is based on the market price per unit which is determined by the overall market values of each of the bonds in the fund.

	2013	2012
Investment cost	**2,632**	2,538
Market value	**2,614**	2,647

5. STATEMENT OF CASH FLOWS AND CHANGE IN NET FINANCIAL ASSETS

The statement of cash flows and the statement of change in net financial assets have not been prepared for the year ended December 31, 2013, as they would not provide additional information.

Related Boards and Authorities

Regina Regional Opportunities Commission (RROC)
255, 1919 Rose Street
Regina, Saskatchewan S4P 3P1
Fax: (306) 352-1630
Phone: (306) 522-0227
Contact: Mr. John Lee

Buffalo Pound Water Administration Board
c/o City of Regina
Queen Elizabeth II Court
P.O. Box 1790
Regina, Saskatchewan S4P 3C8
Fax: (306) 694-6050
Phone: (306) 694-1377
Contact: Mr. Ryan Johnson

Regina Public Library
2311 – 12th Avenue
P.O. Box 2311
Regina, Saskatchewan S4P 3Z5
Fax: (306) 352-5550
Phone: (306) 777-6060
Contact: Ms. Gail Krugeron

Regina Downtown
140 – 2401 Saskatchewan Drive
Regina, Saskatchewan S4P 4H8
Fax: (306) 359-9060
Phone: (306) 359-7541
Contact: Ms. Judith Veresuk

Regina's Warehouse Business Improvement District
202 – 1275 Broad Street
Regina, Saskatchewan S4R 1Y2
Fax: (306) 585-1765
Phone: (306) 585-3948
Contact: Ms. Lovella Jones

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